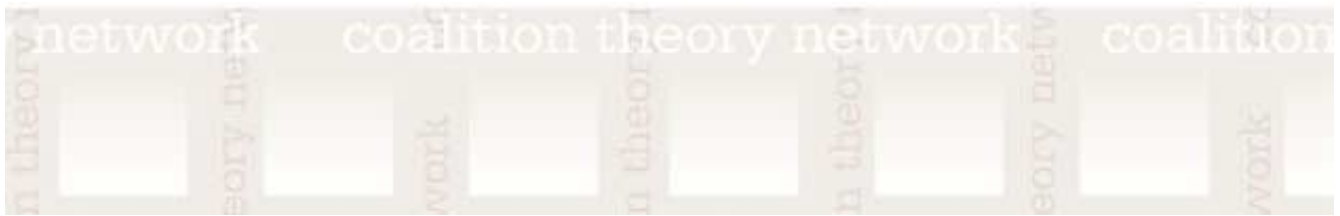


Coalition Theory Network Newsletter

No. 1/2003

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Editorial

by Carlo Carraro

Dear All,

The positive response to the first CTN Newsletter confirmed its value to the network. The aim of establishing a rapid and exhaustive means of communication among the researchers received extended support within the community.

The positive response to the first CTN Newsletter confirmed its value to the network. The aim of establishing a rapid and exhaustive means of communication among the researchers received extended support within the community. I would like to thank all those who contributed to this first issue.

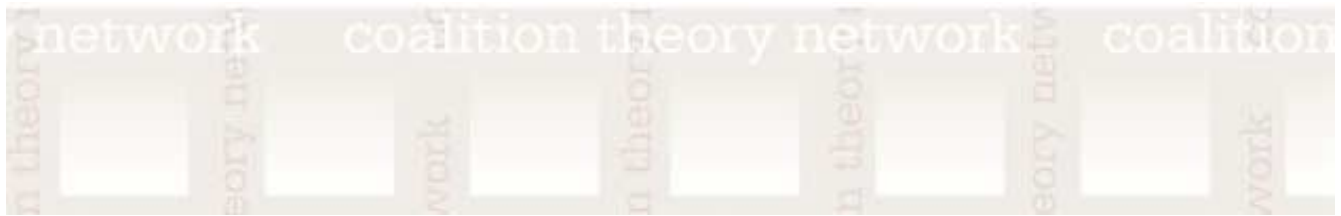
This issue contains a rich calendar of events, most importantly the 9th Coalition Theory Workshop, to be hosted this year by CODE Universitat Autònoma de Barcelona, Spain on 30th & 31st January, 2004. The 2004 workshop will be devoted to network formation in theoretical and applied contexts, matching and labour markets, collective choice mechanisms, and economic unions. All of the information about the scientific programme and logistics is available from both the CTN website (www.feem.it/ctn) and the CODE website (<http://hotelling.uab.es/~code/CTN%20Workshop/INDEXCTN04.html>).

Finally, I would like to stress the success of the online paper submission to the CTN website: in less than three months, more than 20 papers have been submitted, and 12 were accepted for publication in the FEEM "CTN Working Paper Series" and included in the Social Science Research Network (SSRN) Electronic Library. I believe that this initiative will improve the quality of research in coalition and game theory, while giving young researchers the chance to disseminate their work.

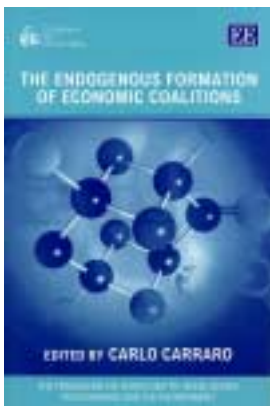
I look forward to receiving your contributions to the second issue of the CTN newsletter. The format will be similar. Suggestions for improvement are obviously welcome.

I wish all of you a happy new year

Carlo Carraro
Editor



Coalition theory: a new book



The Endogenous Formation of Economic Coalitions *edited by Carlo Carraro*

The Fondazione Eni Enrico Mattei Series
of Economics and the Environment
Edward Elgar Publishers, 2003

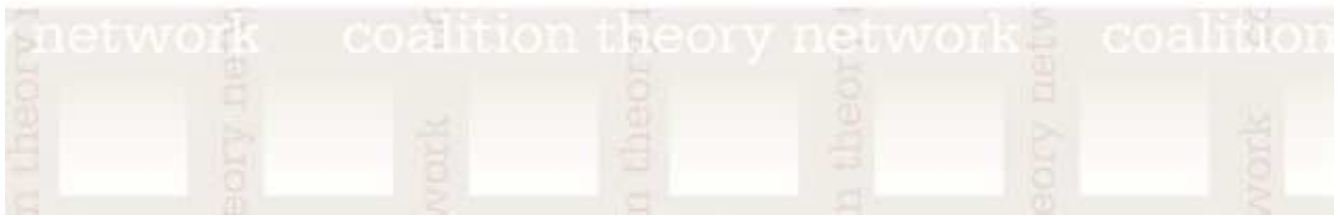
This important book, written by some of the leading scholars in the field, provides a comprehensive overview of recent advances in coalition theory and presents both the latest theoretical developments and novel applications in the field of economics.

The authors demonstrate the many uses of coalition theory and its ability to address a whole host of complex economic problems, such as the provision of global public goods, the adoption of co-operative R&D strategies and the emergence of sovereign states. By highlighting important game-theoretic results they are able to compare and contrast the effectiveness of different approaches.

Some of the specific topics addressed include:

- advances in the theory of large co-operative games
- non co-operative models of coalition formation
- a survey of the partition function in the formation of coalitions
- farsightedness in coalition formation
- coalition stability
- coalition formation in industrial economics, trade theory, environmental economics, public finance.

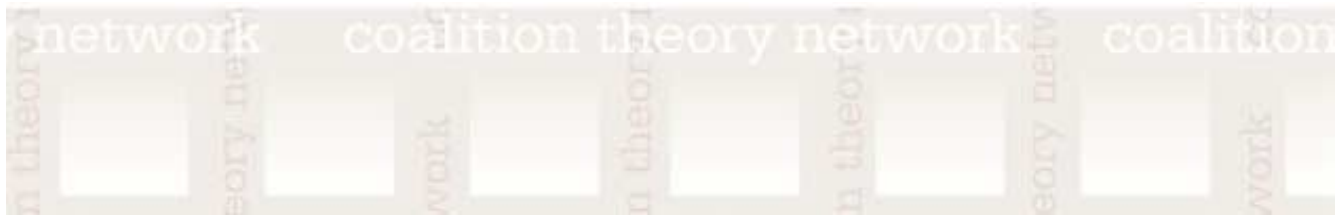
This essential study of recent theories of coalition and group formation will arm the reader with a new set of tools with which to analyse a variety of problematic economic issues. It will prove invaluable to economists, ecologists, and political and social scientists.



New papers on coalition theory

FEEM Working Papers

- ❑ 40.2003 - Endogenous Strategic Issue Linkage in International Negotiations
Carlo Carraro and Carmen Marchiori
- ❑ 50.2003 - The Minimal Dominant Set is a Non-Empty Core-Extension
László Á. Kóczy and Luc Lauwers
- ❑ 51.2003 - Allocation Rules for Network Games
Matthew O. Jackson
- ❑ 52.2003 - Farsightedness and Cautiousness in Coalition Formation
Ana Mauleon and Vincent Vannetelbosch
- ❑ 53.2003 - Building Up Social Capital in a Changing World: a network approach
Fernando Vega-Redondo
- ❑ 54.2003 - On the Size and Structure of Group Cooperation
Matthew Haag and Roger Lagunoff
- ❑ 55.2003 - Free Trade Networks
Tajji Furusawa and Hideo Konishi
- ❑ 56.2003 - National Versus International Mergers and Trade Liberalization
Halis Murat Yildiz
- ❑ 57.2003 - An Infinite-Horizon Model of Dynamic Membership of International Environmental Agreements
Santiago Rubio and Alistair Ulph
- ❑ 94.03 - The Gamma-Core and Coalition Formation
Parkash Chander
- ❑ 97.03 - Forming Stable Coalitions: the Process Matters
Steven Brams, Michael Jones, D. Marc Kilgour
- ❑ 113.2003 - Social Conformity and Bounded Rationality in Arbitrary Games with Incomplete Information: Some First Results
Edward Cartwright and Myrna Wooders
- ❑ 114.2003 - Dynamic Price Competition with Price Adjustment Costs and Product Differentiation
Gianluigi Verasca
- ❑ 115.2003 - Social Conformity in Games with Many Players
Myrna Wooders, Edward Cartwright and Reinhard Selten
- ❑ 116.2003 - On Equilibrium in Pure Strategies in Games with Many Players
Edward Cartwright and Myrna Wooders
- ❑ 117.2003 - Conformity and Bounded Rationality in Games with Many Players
Edward Cartwright and Myrna Wooders



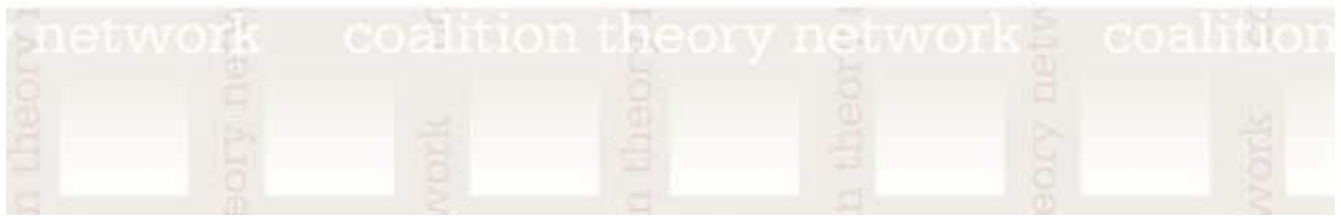
- ▣ 118.2003 - Credible Group Stability in Multi-Partner Matching Problems
Hideo Konishi, M. Utku Unver
- ▣ 119.2003 - Stable Matchings for the Room-mates Problem
Somdeb Lahiri
- ▣ 120.2003 - Stable Matchings for a Generalised Marriage Problem
Somdeb Lahiri
- ▣ 121.2003 - Transboundary Fisheries Management under Implementation Uncertainty
Marita Laukkanen

CODE Working Papers - Unitat de Fonaments de l'Anàlisi Econòmica (UAB) and Institut d'Anàlisi Econòmica (CSIC) Working Paper Series

- ▣ 560.03 - An Ordinal Shapley Value for Economic Environments
David Pérez-Castrillo and David Wettstein
- ▣ 561.03 - Manipulation of Optimal Matchings via Predonation of Endowment
Gloria Fiestras-Janeiro, Flip Klijn and Estela Sánchez
- ▣ 566.03 - Resource-Monotonicity for House Allocation Problems
Lars Ehlers and Bettina Klaus
- ▣ 567.03 - Coalition Formation in a Contest Game with Three Heterogeneous Players
Marc Vorsatz
- ▣ 569.03 - Mergers, Investment Decisions and Internal Organisation
Albert Banal, Ines Macho-Stadler and Jo Seldeslachts
- ▣ 582.03 - Stable Matchings and Preferences of Couples
Bettina Klaus and Flip Klijn
- ▣ T.B.C. - Choosing How to Choose: Self-Stable Majority Rules and Constitutions
Salvador Barberà and Matthew O. Jackson
- ▣ T.B.C. - On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union
Salvador Barberà and Matthew O. Jackson

CORE Working Papers

- ▣ 4.2003 - On the core of an economy with multilateral and multidimensional environment externalities
Charles Figuieres and Magali Verdonck
- ▣ 38.2003 - Merger performance under uncertain efficiency gains
Rabah Amir, Effrosyni Diamantoudi and Licun Xue
- ▣ 46.2003 - The gamma-Core and coalition formation
Parkash Chander

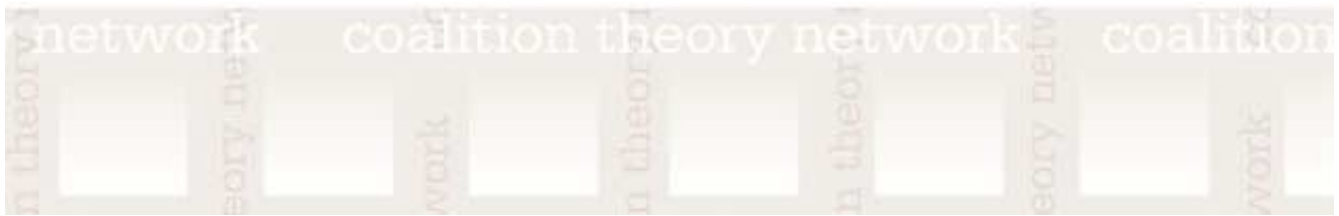


EUREQua Working Papers

- ❑ 2003.10 - The robustness of Equilibria to incomplete information and P-best response sets
Olivier Tercieux
- ❑ 2003.14 - Bargaining over intellectual property protection : the technological divide dilemma
Piergiuseppe Fortunato
- ❑ 2003.27 - Social insurance with indirect democracy
Stéphane Rossignol and Emmanuelle Taugourdeau
- ❑ 2003.79 - Plan stratégique d'allocation des permis d'émission négociables
Florent Pratlong
- ❑ 2003.130 - Existence, Uniqueness and Stability of a Set-Valued Concept
Olivier Tercieux

University of Warwick Working Papers

- ❑ 672 - Social Conformity and Bounded Rationality in Arbitrary Games with Incomplete Information: Some Preliminary Results
Edward Cartwright and Myrna Wooders
- ❑ 681 - Dynamic Price Competition with Price Adjustment Costs and Product Differentiation
Gianluigi Vernasca
- ❑ 682 - Social Conformity in Games with Many Players
Myrna Wooders, Edward Cartwright and Reinhard Selten
- ❑ 686 - On Equilibrium in Pure Strategies in Games with Many Players
Edward Cartwright and Myrna Wooders
- ❑ 687 - Conformity and Bounded Rationality in Games with Many Players
Edward Cartwright and Myrna Wooders
- ❑ 688 - Decentralized Job Matching
Guillaume Haeringer and Myrna Wooders



Forthcoming events

■ XIX Coalition Theory Network Workshop Barcelona, Spain, January 30-31, 2004

The next Coalition Theory Workshop will be hosted by CODE, Universitat Autònoma de Barcelona. The programme topics will be: network formation in theoretical and applied context, matching and labour markets, collective choice mechanisms, economic unions.

The aim of the conference is to encourage research along the following lines:

1. Mechanism design in contexts where it is important to take into account the characteristics of those agents which cooperate among themselves, or the existing relationships between different members of society.
2. Markets through which teams are formed (matching and labour markets in particular), and also collective choice mechanisms (rules of vote, methods to allocate public goods), where the groups formed by different agents have an impact on the nature and the stability of public decisions.
3. Incentives to communicate and form coalitions in various economic and social environments. In problems characterised by high degrees of irreversibility (such as sustainable development, exploitation of exhaustible resources, formation of communication infrastructures).

PRELIMINARY PROGRAMME

Friday, January 30th, 2004

9.00–9.45 OPENING CONFERENCE

Salvador BARBERÀ, Universitat Autònoma de Barcelona and CODE

"On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union" (with M. O. Jackson)

Discussant: TBA

9.45–10.30 SESSION 1

Sanjeev GOYAL, University of Essex

"Economics: an Emerging small World" (with M. van der Leij and J.L. Moraga-González)

Discussant: Carmen BEVIÀ, Universitat Autònoma de Barcelona and CODE

10.30–11.00 Coffee-break

11.00–11.45 SESSION 2

Antonio CABRALES, Universitat Pompeu Fabra, Barcelona

"Optimal Information Transmission in Organizations: Search and Congestion" (with A. Arenas, A. Diaz-Guilera, R. Guimerà and F. Vega-Redondo)

Discussant: Jean-Marc TALLON, Université Paris 1 Panthéon-Sorbonne and EUREQua

11.45–12.30 SESSION 3

Francis BLOCH, GREQAM and Université de la Méditerranée

"Contracting with Externalities and outside Options" (with A. Gomes)

Discussant: Licun XUE, CRDE and McGill University, Montreal

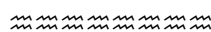
12.30–13.15 SESSION 4

Suresh MUTUSWAMI, University of Essex

"Network formation with non-linear costs"

Discussant: Santiago SÁNCHEZ-PAGÉS, University of Edinburg

13.15–14.30 Lunch



continues

14.30–15.15 SESSION 5

Sébastien VIVIER-LIRIMONT, Université Paris-1 Panthéon-Sorbonne and EUREQua

"Banking Networks and Welfare"

Discussant: Sylvie THORON, GREQAM and Université de Toulon

15.15–16.00 SESSION 6

Matthew O. JACKSON, California Institute of Technology

"The Formation of Networks with Side-Payments among Players" (with F. Bloch)

Discussant: Anke GERBER, University of Zurich

16.00–16.30 Coffee break

16.30–17.15 SESSION 7

Eftrosyni DIAMANTOUDI, Concordia University, Montreal

"Merger Performance under uncertain Efficiency Genius" (with R. Amir and L. Xue)

Discussant: Antonio NICOLÒ, Università di Padova

Saturday, January 31st, 2004

9.45–10.30 SESSION 8

Inés MACHO-STADLER, Universitat Autònoma de Barcelona and CODE

"Sharing the Surplus: a just and Efficient Proposal for Environments with Externalities" (with D. Pérez-Castrillo and D. Wettstein)

Discussant: Bhaskar DUTTA, University of Warwick

10.30–11.15 SESSION 9

Shlomo WEBER, Southern Methodist University, Dallas

"Secession-proofness and the Rawlsian Principle in large Societies" (with M. Le Breton)

Discussant: Sana ELAOUER, GREQAM

11.15–11.45 Coffee break

11.45–12.30 SESSION 10

Antonio M. MERLO, University of Pennsylvania

"Bicameralism and Government Formation" (with D. Diermeier and H. Eraslan)

Discussant: Antoni CALVO-ARMENGOL, Universitat Autònoma de Barcelona

12.30–13.15 SESSION 11

Rod GARRATT, University of California, SB

"Potential Maximization and Coalition Government Formation" (with J. E. Parco, C. Z. Qin and A. Rapoport)

Discussant: Sergio CURRARINI, Università "Ca' Foscari" di Venezia and FEEM

13.15–14.30 Lunch

14.30–15.15 SESSION 12

Myrna WOODERS, University of Warwick

"Dynamic Club Formation with Coordination" (with T. Arnold)

Discussant: Guillaume HAERINGER, Universitat Autònoma de Barcelona

15.15–16.00 SESSION 13

Vincent VANNETELBOSCH, Université Catholique de Louvain; FNRS; IRES and CORE

"R&D Networks among Unionised Firms"

Discussant: TBA

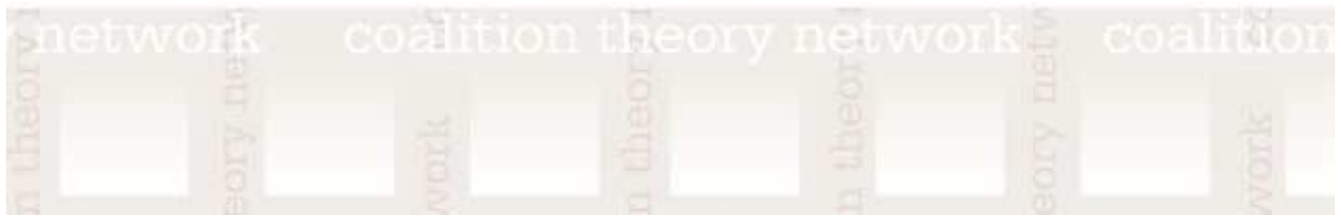
16.00–16.30 Coffee break

16.30–17.15 SESSION 14

Debraj RAY, New York University

"Group Decision-Making in the Shadow of Disagreement" (with K. Eliaz and R. Razin)

Discussant: TBA



▣ **Coordination Failures**
Nanterre, France, June 3-4, 2004

www.u-paris10.fr/cofail/

The theory of coordination failures proposes a general conceptual framework for the microeconomic foundations of macroeconomics. In this approach, coordination is left to the individual agents. A quite general result is the existence of several Pareto-ranked equilibria. In the absence of an auctioneer, the existence and efficiency properties of the competitive equilibrium, established fifty years ago in their definitive form by Arrow-Debreu (1954), are questioned. The selection of a "high" equilibrium then becomes a matter for economic policy. Many economic phenomena can be revisited within this approach (increasing returns, fixed prices, trading costs, ...). Invited speakers: R.W. Cooper, J. Drèze, R. Guesnerie, P. Howitt, M. de Vroey.

▣ **The Second World Congress of the Game Theory Society (Games 2004)**
Marseille, France, July 5-9, 2004

<http://www.gts2004.org/>

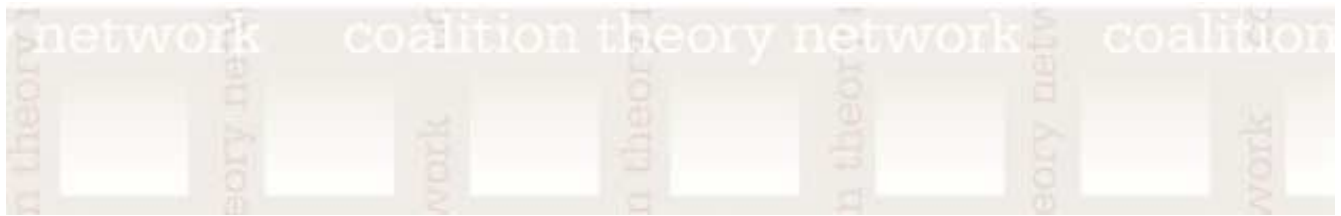
In July of next year the GREQAM will organise the Second World Congress of the Game Theory Society. This is the official Congress of the Game Theory Society which brings together economists, mathematicians, biologists, political scientists and computer scientists interested in game theory. The Congress happens every four years, and the Marseille meeting will follow up on Games 2000, held in Bilbao. This Conference will be a unique opportunity to discuss the latest theoretical and practical developments in game theory. The Meeting will take place over five days. Every morning will be devoted to a plenary session, and some invited sessions. Contributed and poster sessions will take place in the afternoon. The plenary speakers are Michael Hearn (University of Pennsylvania), Eric Maskin (Institute for Advanced Studies), Ehud Lehrer (Tel Aviv University), David Levine (University of California, Los Angeles), Robert Wilson (Stanford University). The deadline for abstract submission is February 15, 2004. All information about the Congress will be made available on the Congress website at <http://www.gts2004.org>. The program Chair is Phil Reny (University of Chicago) and the local organizers are Francis Bloch and Alan Kirman (University of Aix-Marseille).

▣ **Sixth Spanish Meeting on Game Theory and Practice**
Elche, Spain, July 12-14, 2004

<http://www.gts2004.org/>

The number of Spanish game theorists has increased considerably in recent years. In 1994 it was decided to hold a Spanish Meeting on Game Theory every two years. The meetings in Bilbao (1994), Santiago de Compostela (1996) Barcelona (1998) and Valencia (2000), were a great success, with more than 100 presentations in each of them. This shows the good health of the many Spanish research groups in Game Theory and their growing international links. Moreover, Games 2000, the First Conference of the International Game Theory Society, was in Bilbao.

The Sixth Spanish Meeting will take place in Elche on July 12-14, 2004. The meeting continues the series of the alternate Italian and Spanish conferences on Game Theory. The Spanish Meeting is open to participants from all countries. Its areas of interest cover all aspects of Game Theory and its applications. The language of the Meeting is English, although there will be some sessions in Spanish.



- ▣ **Operations Research**
Tilburg University, The Netherlands, September 1-3, 2004
<http://center.uvt.nl/congres/>

The Faculty of Economics and Business Administration organises the Conference. Session 16 will be devoted to Econometrics, Game Theory and Mathematical Economics. Deadline for abstracts submission is on April 30, 2004.

- ▣ **Game Theory and Mathematical Economics**
Warsaw, Poland, September 6-10, 2004
<http://www.ipipan.waw.pl/~gtme2004/>

The conference, organised jointly by Stefan Banach International Mathematical Center (www.impan.gov.pl/BC) and Institute of Computer Science, Polish Academy of Sciences (www.ipipan.waw.pl) will be held in the Banach Center in Warsaw. Invited lecturers: Igor Evstigneev, Hans Keiding, Stef Tijs, Rajiv Vohra, Peyton Young. Abstracts deadline submission is March 31, 2004.

- ▣ **Eleventh International Symposium on Dynamic Games and Applications**
Ventana Canyon Resort, Tucson, Arizona, December 18-21, 2004
<http://www.sal.hut.fi/isdg/>

The International Symposium on Dynamic Games and Applications is a biennial professional event. The first one was held in 1984 in Haifa, Israel. It was followed by meetings in Williamsburg, USA (1986), Antibes, France (1988), Espoo, Finland (1990), Grimentz, Switzerland (1992), St. Jovite, Canada (1994), Kanagawa, Japan (1996), Maastricht, The Netherlands (1998), Adelaide, South Australia (2000), and St. Petersburg Russia (2002).

This symposium has been scheduled in the week following CDC Conference at Paradise Island, The Bahamas, December 14-17, 2004.

Participants will have an opportunity to hear state-of-the-art lectures on a wide range of game-theoretic models and applications with a particular emphasis on Evolutionary Game Theory.

Visitors at CODE - 2003

by Conxa Iglesias, CODE



January 14-20, 2003
September 1-4, 2003

Nicolás Porteiro

Université Catholique de Louvain
34 Voie du Roman Pays
B-1348, Louvain-la-Neuve
Belgium
Tel: +32 10 47 83 11
Fax: +32 10 47 43 01
email: porteiro@core.ucl.ac.be
<http://www.core.ucl.ac.be:16080/%7Eporteur/>

Research interests

Microeconomics, Applied Game Theory, Political Economy, Informational Economics, Economics of Regulation.



March 2- April 2, 2003

Michael Maschler

The Hebrew University of Jerusalem
Department of Mathematics
Givat-Ram
91904 Jerusalem, Israel

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Fax: +972-2-918019

e-mail: maschler@vms.huji.ac.il

<http://www.ma.huji.ac.il/~maschler/>

Research interests

Game theory: Cooperative, non-cooperative, foundations, dynamic paths, applications.



June 16-20, 2003

Gustavo Bergantiños

Associate professor in the Department of Statistics and member of the Research Group in Economic Analysis of the University of Vigo

Contact information

Facultade de Economicas
Universidade de Vigo
36200, Vigo. Pontevedra
Spain
Tel: + 34 986812497
Fax: + 34 986812401
E-mail: gbergant@uvigo.es
<http://webs.uvigo.es/gbergant/>

Research interests

Game theory, social choice.



July, 2003

Matthew O. Jackson

Edie and Lew Wasserman Professor of Economics
Division of the Humanities and
Social Sciences, 228-77
California Institute of Technology
Pasadena, California 91125
USA
Office: 301D Baxter Hall
Phone: (626) 395-4022
Fax: (626) 405-9841
E-mail: jacksonm@hss.caltech.edu
<http://www.hss.caltech.edu/~jacksonm/Jackson.html>

Research interests

Voting, social choice, networks and coalitions,
Categorization and Discrimination, Mechanism
Design, Implementation, and Game Theory



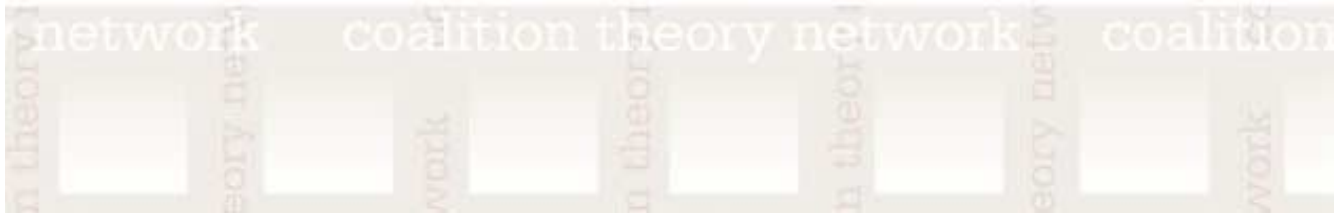
October 10-15, 2003

David Wettstein

Ben-Gurion University of the Negev
Department of Economics
Beer-Sheva 84105
Israel
Tel. (08)6472291
Fax: 972-8-6472941
e-mail: wettstn@bgumail.bgu.ac.il
<http://www.econ.bgu.ac.il/facultym/wettstn/main.htm>

Research interests

Cost allocation, Innovation and the patent system,
Auctions, Implementation of cooperative solution
concepts (the Shapley Value, Bargaining Sets),
Ordinal values in economic environments,
Regression analysis.



About CTN

The Coalition Theory Network (CTN) is an association of six high level scientific institutions, aimed at the advancement and the diffusion of research in the area of coalition formation. The six current members are: the Universitat Autònoma de Barcelona (CODE), the Center for Operation Research and Econometrics (CORE), the Équipe Universitaire de Recherche en Économie Quantitative (EUREQua), the Fondazione Eni Enrico Mattei (FEEM), the Université de Marseille (GREQAM), and the Department of Economics at University of Warwick.

Members

▣ CODE

<http://hotelling.uab.es/~code/index>

Local coordinator:

Carmen Bevià - Associate Professor of Economics, Departament d'economia i d'història Econòmica, Universitat Autònoma de Barcelona
e-mail: carmen.bevia@uab.es

▣ CORE

<http://www.core.ucl.ac.be/>

Local coordinator:

Rabah Amir - Professor, Université catholique de Louvain, Faculté des sciences économiques, sociales et politiques, Département des sciences économiques
e-mail: amir@core.ucl.ac.be

▣ EUREQua

<http://eurequa.univ-paris1.fr/>

Local coordinator:

Hubert Kempf - Professor of Economics, Université Paris-1 Panthéon-Sorbonne
e-mail: kempf@univ-paris1.fr

▣ FEEM

<http://www.feem.it>

Local coordinator:

Carlo Carraro - Professor of Economics, Università Ca' Foscari di Venezia
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▣ GREQAM

<http://durandal.cnrs-mrs.fr/GREQAM/Home.greqam.html>

Local coordinator:

Francis Bloch - Professor, Université de la Méditerranée, Ecole Supérieure de Mécanique de Marseille
e-mail: bloch@ehess.cnrs-mrs.fr

▣ University of Warwick – Department of Economics

<http://www.warwick.ac.uk/economics/>

Local coordinator:

Myrna Wooders - Professor of Economics, University of Warwick
e-mail: M.Wooders@warwick.ac.uk