

Stationary quasi-perfect equilibrium partitions constitute the recursive core

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Abstract

We study coalition formation games with externalities and fixed payoff division. Numerous cooperative and noncooperative models have been proposed to solve such games. We introduce a noncooperative sequential coalition formation game and study the stationary quasi-equilibria of this game: equilibria, where subgame perfectness is not required in some irrelevant subgames. Using this concept we link the cooperative and non-cooperative literature showing that the recursive core coincides with the stationary quasi-perfect equilibria of the sequential coalition formation game.

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