

Representation of non-transferable utility games by coalition production economies

Tomoki Inoue*

October 1, 2012

Abstract

We prove that every compactly generated non-transferable utility (NTU) game can be generated by a coalition production economy. The set of Walrasian payoff vectors for our induced coalition production economy coincides with the inner core of the balanced cover of the original game. This equivalence depends heavily on our representation. We exemplify that this equivalence need not hold in other representations. We also give a sufficient condition for the existence of a Walrasian equilibrium for our induced coalition production economy.

Keywords: Inner core; coalition production economy; balancedness; Walrasian equilibrium

JEL classification: D51; C71

*School of Business Administration, Faculty of Urban Liberal Arts, Tokyo Metropolitan University, 1-1 Minami Osawa, Hachioji, Tokyo 192-0397, Japan; tomoki.inoue@gmail.com.