A dominant strategy mechanism in a large economy with public goods

Akitomo Yamanashi

April 17, 2014

address:	Faculty of Science, Hokkaido University
	Kita 10, Nisi 8, Kita-ku, Sapporo 060-0810, Japan
email:	nassy@statphys.sci.hokudai.ac.jp

Abstract

The subject of this paper is to present a general equilibrium mechanism, which is dominant strategy implementable, Pareto optimal, and individually rational in an economy with public goods and private goods, in the small limit of the market power of every agent.

In order to estimate the market power of each agent, the idea of mobility is introduced, and in order to represent that the market power of every agent decreases as the number of the total agents increases, the idea of a divided economy is introduced.

Keywords Dominant strategy, Public goods, General equilibrium

JEL Classification D51, D61, H41

Full Text http://ssrn.com/abstract=2426050