

Strategy-Proof and Fair Mechanism in Shapley-Scarf Economies

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Abstract

We study strategy-proof and fair mechanism in Shapley and Scarf (1974) economies. We introduce a new condition for fairness, we call envy-freeness for equal position. It requires that if one agent prefers the other's allocation, he should not prefer it to his allocation that is assigned at the situation that we regard as the one their position are exchanged. We show that a mechanism satisfies strategy-proofness, individual rationality, envy-freeness for equal position, and non-bossiness if and only if it is either the core mechanism or the no-trade mechanism.

This paper is downloadable at
<https://sites.google.com/site/economicskazuhashimoto/home>

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