Some interpretations of convexified coalitions in differential information economies

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Abstract

In this paper we introduce the notions of private fuzzy core and Edgeworth private equilibria for discrete economies with differential information. They allow the equivalence with the set of competitive equilibria by extending the possibility of allocations to be blocked in two different ways: first by enlarging the set of coalitions adding the convexified (or fuzzy) ones; second by introducing the notion of replica economies. We then use the equivalence results in order to provide an informative interpretation of fuzzy coalitions based on associating to each discrete exchange economy a continuum economy. Finally, we furnish two interesting by-results presenting "direct" comparisons between the private fuzzy core of a discrete differential information economy and, respectively, Edgeworth private equilibria and the interesting concept of privately non-dominated allocations.