Abstract

In this paper we consider cooperative games and various analytical tools in order to study behavioral situations of a set of players and to analyze different classes of games in a cooperative way. Following these approaches we can consider these classes of games as cones characterized by particular sets of generators.
1 Introduction and Preliminaries

Let $n$ be a natural number greater than 1, $N = \{1, 2, \ldots, n\}$ and $2^N$ is the family of all subsets of $N$.

Definition 1.1 An $n$-person game (in characteristic function form) is a pair $(N, v)$, where $v$ is a real-valued function on $2^N$ with $v(\emptyset) = 0$.

The elements of $N$ are called players and the elements of $2^N$ coalitions. The function $v$ is called characteristic function and for $S \in 2^N$, the real number $v(S)$ is called worth or value of the coalition $S$.

Definition 1.2 An $n$-person game $(N, v)$ is said to be in 0-1 normal form whenever $v(N) = 1$ and $v(\{i\}) = 0$ for $i = \{1, 2, \ldots, n\}$.

An $n$-person game $(N, v)$ is:

- monotone if and only if $T \subset S \subseteq N$ implies $v(T) \geq v(S)$;
- simple if and only if $v(S)$ is 0 or 1 for all $S \subseteq N$.

Definition 1.3 Player $i$ is a veto player for the simple $n$-person game $(N, v)$ if and only if $v(S) - 1$ implies $i \in S$.

We shall call a game $(N, v)$:

- additive if $v(S \cup T) = v(S) + v(T)$ for all disjoint pairs $S, T \in 2^N$;
- superadditive if $v(S \cup T) \geq v(S) + v(T)$ for all disjoint pairs $S, T \in 2^N$;
- convex if $v(S \cup T) + v(s \cap T) \geq v(S) + v(T)$ for all $S, T \in 2^N$;
- constant if $v(S) + v(N - S) = v(N)$ for all $S, T \in 2^N$;
- simple if $v(S) \in \{0, 1\}$ for all $S \in 2^N$;
- monotone if $S \subset T$ implies $v(S) \leq v(T)$ for all $S, T \in 2^N$;
- symmetric if $v(S) = v(T)$ for all $S, T \in 2^N$ with $|S| = |T|$.

For a fixed $n$, an $n$-dimensional column vector $\mu = (\mu_1, \mu_2, \ldots, \mu_n) \in \mathbb{R}^n$ and $S \in 2^N \setminus \{\emptyset\}$ the sum $\sum_{i \in S} \mu_i$ will also denoted by $\mu(S)$ and $\mu(\emptyset) = \sum_{i \in \emptyset} \mu_i = 0$; $\mu$ is called an imputation if $\sum_{i=1}^n \mu_i = 1$ and $\mu_i > 0$ for $i = \{1, 2, \ldots, n\}$.

For an $n$-person game $(N, v)$ the set

$$I(v) = \{\mu \in \mathbb{R}^n : \mu_i \geq v(\{i\}) \text{ for each } i \in N \text{ and } \mu(N) = v(N)\}$$
is called the set of imputations.

The subset $C(N, v)$ of $I(N, v)$ defined by

$$C(N, v) = \{ \mu \in I(N, v) : \mu(S) \geq v(S), \text{ for each } S \in 2^N \setminus \{\emptyset\} \},$$

is the core of the game.

**Lemma 1.4** For every $n$-person game $(N, v)$ we have $C(N, v) \subseteq R^n_+$.  

**Proof.** Let $i \in N$ and $\mu \in C(N, v)$, then from the definition of core we have:

$$\mu = v(N) - \sum_{j \in N \setminus \{i\}} \mu_j \geq v(N) - v(N \setminus \{i\}) \geq 0.$$  

So we have $\mu \in R^n_+$.  

The core is a compact convex polyhedron of dimension at most $n - 1$. It is contained in $H^N$ (where $H^N$ is the hyperplane in $R^N$ defined by the equation $\mu(N) = v(N)$) and is bounded by the intersection of that hyperplane with other hyperplanes $H^S$, with $S \subset N$.

**Example 1.5** Let $N = \{1, 2, \ldots, n\}$ be a set of $n$-players. Using different social-economic characters of the players, we divide the set $N$ in two disjoint parts, $N_0$ and $N_1$; we suppose also that the players are different firms and that the two parts of the set $N$ are complementarity in the sense of the production of certain products. In such a way, if we consider a generic player (firm) in the subset $N_0$, for instance, the economical influence that he has in the market is not relevant. Conversely, if we consider a coalition of players in one of the two parts of $N$ we can obtain more relevant economic situations. In order to obtain the last sentence we have to define a cooperative game $(N, v)$, where the characteristic function $v$ is defined by:

$$v(S) = \min\{|N_0 \cap S|, |N_1 \cap S|\}, \text{ for all } S \in 2^N.$$  

The richness of papers in literature denotes the economic relevance of the notion of core in the economic context and its ductility in different applied problems. An important fact is, for instance, that if $\mu \in C(N, v)$ we can observe that does not exist any coalition $S \neq N$ which has the convenience to split itself since the payment $\mu(S)$ is greater than $v(S)$, the profit that all members of any subcoalition of $S$ can be obtain. From these considerations, we can conclude that into the application of core in different economical problems it can be used to measure an infinite number of imputations, and it can be represented by a single vector $\mu$ or be the empty set.
In this context many authors had tried to find different solutions using Shapley value [25], Schmeidler core or the "tao vector of Tijs" instead of core (for more details see for instance [23]).

Let \((S_1, S_2, \ldots, S_{2^n-n-2})\) be a sequence of proper subsets of \(N\) such that every element of the sequence which contain more than one player. In this case we can consider the game as a column vector in \(\mathbb{R}^{2^n-n-2}\) of components \(v(S_j), j \in \{1, 2, \ldots, 2^n - n - 2\}\). So we define, for every player \(i\), the \(n\)-person game \((N, v_i)\) by:

\[
v_i = \begin{cases} 
1, & \text{if } i \in S \text{ and } |S| > 1 \\
0, & \text{otherwise.}
\end{cases}
\]

The games obtained for each \(i\) are simple, monotone and every player in every game is a veto player.

In 1964 Aumann and Maschler prove the following result:

**Theorem 1.6** An \(n\)-person game \((N, v)\) has nonempty core if and only if there exist nonnegative scalars \(\beta_1, \beta_2, \ldots, \beta_n\) having \(\beta_1 + \beta_2 + \ldots + \beta_n = 1\), and for which

\[
v \leq \beta_1 v_1 + \beta_2 v_2 + \ldots + \beta_n v_n.
\]

Geometrically this theorem means that the core \(C(N, v)\) is nonempty if and only if \(v\) lies on or below the convex hull \(C_n\) of the games \(v_1, v_2, \ldots, v_n\).

**Remark 1.7** We recall that the convex hull of a set \(X \subseteq \mathbb{R}^n\), i.e. the intersection of all convex sets of \(\mathbb{R}^n\).

An unpublished result of L. S. Shapley is the following:

**Theorem 1.8** The set of all \(n\)-person games having nonempty core is the closed convex polyhedron \(C_n - (\mathbb{R}^{2^n-n-2})_+\).

## 2 Convex cones and hypercubes

In this section we recall some geometrical definitions and propositions helpful for the sequel.

Let \(V\) an \(n\)-dimensional Euclidian vector space with origin \(O\). Identify a generic vector \(x\) of \(V\) with the \(n\)-tuple \(\left(\begin{array}{c} x_1 \\ x_2 \\ \ldots \\ x_n \end{array}\right)\) of its coordinate with respect to a particular orthonormal base of \(V\).
Definition 2.1 A subset $C$ of an $n$-dimensional vectorial space $V$ is said a cone with vertex in $O$, if $O \in C$ and $x \in C$ implies $\alpha x \in C$, for every non-negative real scalar $\alpha$. The particular cones consisting of a non-zero vector $x$ and all its multiples $\alpha x$ is called rays.

The set $C + x^0$, where $C$ is a cone and $x^0$ is a vector of $V$ is said cone with vertex in the point $x^0$; it is the set of all translations of a cone with vertex in $O$ by the vector $x^0$.

Definition 2.2 A cone $C$ is convex if the ray $x + y$ is in $C$ whenever $x$ and $y$ are rays in $C$. Thus a set $C$ of vectors is a convex cone if and only if it contains all vectors $\alpha x + \beta y$ for all $\alpha, \beta \geq 0$, $x, y \in C$.

Of course we say convex cone every subspace of a Euclidian vector space which is both a cone and a convex set.

Theorem 2.3 A subset $C$ of a Euclidian vector space $X$ is a convex cone if and only if

$$\alpha x + \beta y \in C \text{ for all } x, y \in C \text{ and } \alpha, \beta \geq 0$$

Remark 2.4 Cones generalized the notion of vector subspace and linear variety, which are convex cones.

We denote by $C(X)$ the set of all elements obtained as a non-negative linear combination of points of the vector space $X \subset \mathbb{R}^n$. Then, we have that, if $X, Y \subset \mathbb{R}^n$, $C(X \cup Y) = C(X) + C(Y)$ and, if $X \subseteq C$, $C(X) \subseteq C$. If $C(X) = C$, $X$ is said generator set of the cone $C$.

More relevant in our approach is the notion of polyhedral cone, defined as a cone obtained as a finite intersection of closed semispace. Very interesting is the Klee’s definition of polyhedral cone:

Theorem 2.5 [18] A cone $C$ is polyhedral if and only it there exists a finite subset $X$ of $C$ such that every point of $C$ is a non-negative linear combinational of points of $X$.

In [29] the authors introduced, for a $n$-person game, the following notation:

- $b_i^V = v(N) - v(N - i)$, for each $i \in N$;
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- \( b^V = (b^V_1, \ldots, b^V_n) \); \( R^V(S, i) = v(S) - b^V(S - i) \) for each \( S \in 2^N \) and \( i \in S \);
- \( a^V_i = \max \{ R^V(S, i) : S \in 2^N, i \in S \} \);
- \( a^V = (a^V_1, \ldots, a^V_n) \).

The number \( b^V_i \) is called the marginal value of player \( i \) in the game, the number \( R^V(s, i) \) the remainder in the coalition for the player \( i \) and the number \( a^V \) is the maximal remainder for the player \( i \). Using the previous notation we can define the hypercube of the game \((N, v)\) as the set \( H(v) = \{ x \in \mathbb{R}^N : a^V_i \leq x_i \leq b^V_i \text{ for each } i \in N \} \).

We denote by \( G_N \) the \((2^N - 1)\)-dimensional space of characteristic functions of \( n \)-person games and let \( H_N \) be the set of elements of \( G_N \) with non-empty hypercube.

A finite number of players in a determined social-economic space can create different scenarios of economic action following different approach: individually or coalitional, i.e. forming coalitions of agents - players. We denote by the symbol \( SG_N \) the set of game defined over the set of players \( N \), where \( N = \{1, 2, \ldots, n\} \). Let \( v_1 \) and \( v_2 \) be two characteristic functions defined in the same set \( N \) and \( \lambda \) be a scalar, then \((v_1 + v_2)(S) = v_1(S) + v_2(S)\) and \((\lambda v)(S) = \lambda v(S)\) are characteristic functions too, defined over the set of parts of \( N \), i.e. \( 2^N \), with \( S \subseteq N \). It follows that the set \( SG_N \) can be considered as a vectorial euclidian space type \( \mathbb{R}^{2^N \setminus \{\emptyset\}} \) of dimension \( 2^N - 1 \), where axis are indexed by non empty coalitions. In this research direction it is possible to analyze the previous notions both as for individual games than for unanimity games. In both situation the coordinates are dividends of coalitions (for more information see [23]).

We denote by \( SG_{saN} \) the set of superadditive games defined on \( N \) and contained in \( SG_N \). If \( \gamma \) and \( \rho \) are two characteristic functions, \( \alpha_1 \) and \( \alpha_2 \) two non-negative scalars and \( S, T \subseteq N \), with \( S \cap T = \emptyset \) we have:

1. \( \alpha_1 \gamma(\emptyset) + \alpha_2 \rho(\emptyset) = 0 \)
2. \( (\alpha_1 \gamma + \alpha_2 \rho)(S \cup T) = \alpha_1 \gamma(S \cup T) + \alpha_2 \rho(S \cup T) \geq \alpha_1 \gamma(S) + \alpha_1 \gamma(T) + \alpha_2 \gamma(S) + \alpha_2 \rho(T) = (\alpha_1 \gamma + \alpha_2 \rho)(S) + (\alpha_1 \gamma + \alpha_2 \rho)(T) \).

The previous items 1 and 2 imply that the class \( SG_{saN} \) represent a \((2^N - 1)\)-dimensional subcone of \( SG_N \). It is easy to prove that the class of convex games belongs to the class of superadditive games.
3 Balanced-type games

More significant and relevant are classes of games for which hold a non-empty core. If we consider this class as a polyhedral cone, it must be emphasized the fact that the inequality that characterizes this type of cone is not treatable by an analytical point of view, especially in the case where $n$ (the number of players) exceeds the number 4. For this reason in the last five decades, many authors have tried to overcome this difficulty trying to formalize a characterization of $SGC_N$, all of the above games with the core is not empty, seen as polyhedral cones. One of the first results obtained in this direction is due to Gurk [17] in 1959. A very important combinatorial characterization of games with non-empty core was given by Bondareva [3] and Shapley [26]. The core of a game appeared to be non-empty if and only the game is balanced. Furthermore, the set of characteristic functions of games with non-empty core appear to form a polyhedral cone. In 1971 Spinetto in [28] has given a geometric characterization by the following result:

**Theorem 3.1** The cone of non-negative games with non-empty core $SGC_{N+}$ is generated by simple games with players who have a veto power. Furthermore, these players and their non-negative multiples are the extreme elements of $SGC_{N+}$.

In 1986 Derks [6] proved that for any game $G \in SGC_{N+}$ there is a finite number of simple games with veto power $\omega_j$ and positive weights $\beta_j$, $j \in \{1, \ldots, n\}$, such that

$$G = \sum_{j=1}^{n} \beta_j \omega_j.$$

Let $G$ be the family of subsets of the set $N = \{1, 2, \ldots, n\}$.

**Definition 3.2** [8] $G$ is said to be super-balanced if there exists a system of positive weights $(\lambda_S)_{S \in G}$ such that

$$\sum_{S \in G, i \in S} \lambda_S \geq 1, \quad \forall i \in N \quad (1)$$

**Definition 3.3** A family $S$ is said to be balanced if there exists a system of positive weights $(\lambda_S)_{S \in G}$ such that $\forall i \in N$

$$\sum_{S \in G, i \in N} \lambda_S = 1. \quad (2)$$

**Remark 3.4** A super-balanced family of coalitions is simply a covering of the grand coalition $N$. 
Definition 3.5 A game is said to be super-balanced if for every super-balanced family $G \subset 2^N$, and for every associated system of weights $(\lambda_S)_{S \in G}$ one has

$$\sum_{S \in G} \lambda_S v(S) \geq v(N).$$  (3)

Definition 3.6 A game is balanced game if for every balanced family $G \subset 2^N$ and for every associated system of weights $(\lambda_S)_{S \in G}$ one has

$$\sum_{S \in G} \lambda_S v(S) \leq v(N).$$  (4)

In 1982, Tijs and Lipperts introduced the following:

Definition 3.7 [29] A game $(N,v)$ is semi-balanced if the following system of inequalities holds:

$$v(S) + \sum_{i \in S} v(N - i) \leq |S|v(N) \text{ for all } S \in 2^N - \{\emptyset\}.$$  

Theorem 3.8 [29] Every balanced game is semi-balanced.

Definition 3.9 A game is said totally balanced if every subgame of a game $N$ is balanced.

We denote these two classes of games by $\text{SGB}_N$ and $\text{SGTB}_N$, respectively.

Theorem 3.10 [29] $v \in H_n$ if and only if $(N,v)$ is a semi-balanced game.

Theorem 3.11 [29] $H_n$ is a polyhedral convex cone.

Following this important results and considering our modeling we can observe that the class $\text{SGB}_N$ is a cone. In fact let $C(N,v_1)$ and $C(N,v_2)$ be the cores of the games $(N,v_1)$ and $(N,v_2)$, respectively, $x \in C(N,v_1)$, $y \in C(N,v_2)$ and $\beta \in \mathbb{R}_+$, then we have $x + y \in C(N,v_1 + v_2)$ and $\beta x \in C(N,\beta v)$, Applying Bondareva and Shepley’s result we can conclude that $\text{SGB}_N = \text{SGC}_N$.

To conclude this excursus it is important to cite a very important result concerning polyhedral cones and the cooperative games obtained by Derks in 1991:

Theorem 3.12 [7] If $(N,v)$ is a simple game where players have the veto power then this is an extremal element of the cone. Every element of $\text{SGB}_N^+$ is a multiple of a simple game with veto power.

Following Derk’s methodology we can obtain a generic balanced and non-negative game as a non-negative linear combination of simple balanced games.

Open Problem. Is the set of characteristic functions of super-balanced game with non-empty core a polyhedral cone?
4 Conclusions

The aim of this paper is to show that the class of convex games can be viewed geometrically as a cone. In doing this we consider and collect some properties giving some remarks in order to emphasize the relationships that exist between some classes of \( n \)-person cooperative games and the polyhedral convex cones. By this approach, in the frame of balanced type games it could be interesting in analyzing the special case of super-balanced games by considering them in terms of a polyhedral cone. All these characterizations type could open new perspectives of research of the study concerning the role plays in this context of analysis by the characteristic functions (or value functions in some issues).

Acknowledgements. The present work was entirely supported by Ir-\( n \)itMED (Istituto di Ricerca per l’Innovazione e la Tecnologia nel Mediterraneo) Research project: Dyn\( n \)MED.

The authors are grateful to the referee for valuable comments and suggestions.

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Received: February 3, 2016; Published: March 11, 2016