

Searching for Uniqueness. Shubik's Early Contribution to Economics

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Abstract. Martin Shubik was a major contributor to the early introduction of game theory into economics. In 1959, he published the proof of the equivalence between the core and Edgeworth's contract curve and the book *Strategy and Market Structure*, which applied systematically game theory to industrial economics. In the same decade he used game theory in his works on business cycle, management and information theory. These contributions show that fifteen years after von Neumann and Morgenstern's "Theory of Games and Economic Behavior", Shubik had already taken the first steps on the path shifting the focus of game theory from the cooperative to the non-cooperative approach, from disequilibrium to equilibrium analysis, and from multidisciplinary research to a mathematical tool for industrial economics. In particular, the assumption that there is a unique and mechanical way to define rationality characterized Shubik's approach. Rather than to accept the multiplicity of solutions prompted by Theory of Games and Economic Behavior, Shubik adhered to the Nash program, that was to axiomatically specify enough properties to excludes all but one solution and to focus on the efficiency properties of the final outcome. In this way, searching for uniqueness became the dominant attitude among economists applying game theory.

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