

**On Equilibrium in Pure Strategies
in Games with Many Players**

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On Equilibrium in Pure Strategies in Games with Many Players[□]

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[□]This paper continues research initiated in Wooders, Cartwright and Selten (2001).
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Abstract: We introduce a framework of noncooperative games, allowing both countable sets of pure strategies and player types, in which players are characterized by their attributes and demonstrate that for all games with sufficiently many players, every mixed strategy Nash equilibrium can be used to construct a Nash ϵ -equilibrium in pure strategies that is ϵ -equivalent'. Our framework introduces and exploits a distinction between crowding attributes of players (their external effects on others) and their taste attributes (their payoff functions). The set of crowding attributes is assumed to be compact; this is not required, however, for taste attributes. For the special case of at most a finite number of crowding attributes, we obtain analogs, for finite games, of purification results due to Pascoa (1993a,b,1998) for games with a continuum of players. Our main theorems are based on a new mathematical result, in the spirit of the Shapley-Folkman Theorem but applicable to a countable (not necessarily finite dimensional) strategy space.

1 Our research in the context of the literature on purification

Whether a non-cooperative equilibrium in mixed strategies can be approximated by a strategy vector in pure strategies – in other words, ‘purified’ – as a consequence of large numbers of players was first addressed by Schmeidler (1973) for a game with a continuum of players. Since then, many authors have contributed to this literature (including Mas-Colell 1984, Khan 1989, 1998, Khan et al. 1997, Pascoa 1998 and Khan and Sun 1999, for example). Games with a continuum of players are typically motivated as idealizations of games with a large but finite player set. In this paper we provide analogues,

for large ...nite games, of some existing results for games with a continuum of players. Further, our results apply to games of incomplete information with countable sets of pure strategies and player types.

Within our framework a player is characterized by his attributes, a point in a given set of attributes. A distinction is made between the crowding attributes of a player (his external effects on others) and his taste attributes (his payoff function and any other characteristics of the player that do not directly affect members of the complementary player set).¹ If taste and crowding attributes are in one to one correlation then, effectively, we are in the standard situation but in general there is no reason why this should hold. We assume that the space of crowding attributes is a compact metric space but no such assumptions are made on the space of taste attributes. As well as having a certain attribute, a player is randomly assigned, by nature, a type (as in a standard game of incomplete information). In interpretation we can think of a player's crowding attribute as publicly observable while his type is not - his taste attribute may or may not be observable. Some other noteworthy features of our model are that we allow a countable set of pure strategies and a countable number of (Harsanyi) types. A new mathematical result, allowing us to approximate a mixed strategy vector by a pure strategy vector in which each player plays a strategy in the support of his initial mixed strategy, underlies our purification results.

We assume that a player's payoff depends on the actions of others through the induced joint distribution of strategies over crowding attributes, types and actions. In this respect our approach resembles that of Green (1984)

¹This terminology is taken from Conley and Wooders (1996,1997) who use the term 'crowding types'. The separation of crowding attributes and taste attributes in economies with local public goods and/or clubs now appears in a number of papers.

and Pascoa (1993a, b,1998)². The typical approach in the literature (e.g. Schmeidler 1973, Mas-Colell 1984, Kalai 2002³) is to assume that a player's payoff depends on the actions of others through an indiscriminating distribution over actions (or types and actions); this corresponds to a special case of our model in which there is at most a finite number of crowding attributes and types.⁴

When payoffs depend on the distribution of actions over crowding attributes there are two alternative ways of interpreting a large player set. Green (1984) requires that there be an uncountable number of players of each attribute while Pascoa (1993a,b,1998) considers either that there be an uncountable number of players with each attribute or a certain continuity property. In a finite setting we provide results for both possible interpretations of a large player set.

Let us describe our model and results in some more detail. We begin with a metric space $\Omega = P \times C$ of player attributes (taste attributes P and crowding attributes C) and countable sets A of actions and T of types.

²Note that these authors consider games of complete information with a continuum player set.

³We note that the research in Kalai (2002) is an outgrowth of an earlier 2000 working paper.

⁴Mas-Colell (1984) remarks that strategy sets can encode for a player's attribute. For example, the payoff function may be set up in such a way that a male would never rationally choose from a particular subset of strategies while a female may only rationally choose from that subset. Similarly, in games of incomplete information (as in Kalai 2002) a player's type may encode for his attribute. If, however, the set of strategies and the set of types are finite, as in Mas-Colell and in Kalai, then at most a finite number of attributes can be encoded. We remark that, in contrast to our research in this paper and also in Wooders, Cartwright and Selten (2001), these authors make no further use of dependence of payoffs on attributes.

An attribute $\theta = (t; c)$ is interpreted as specifying the tastes and crowding attributes of a player and the metric on attribute space allows measurement of similarity of players. A universal payoff function h and universal beliefs function b are also taken as given (where beliefs are taken with respect to the distribution over types). These five elements, θ, A, T, S, h and b are called a pregame. Given a finite set of players and an attribute function, ascribing a point in attribute space to each player, a pregame induces a Bayesian game, according to standard definitions, on the player set. A pregame thus allows us to model a family of games all induced from a common strategic structure.

As discussed above, in any game induced by a pregame a player's payoff depends on his own strategy choice and on the joint distribution over actions, types and crowding attributes resulting from the behaviour of the complementary player set. Besides a continuity condition, our main result requires an assumption on the universal payoff function - 'the large game property' - dictating that the actions of any 'small group' of players should have little influence on the payoffs of others. The large game property is sufficient to demonstrate that:

Purification: Given any $\epsilon > 0$ there is an integer $\hat{n}(\epsilon)$ with the property that for every game Γ with at least $\hat{n}(\epsilon)$ players and for any Bayesian Nash equilibrium σ of Γ there exists a Bayesian Nash ϵ -equilibrium in pure strategies m that is ϵ equivalent (in payoffs) to σ .

Our second main result treats games in which for each player in a game there are many players who have similar crowding attributes - a 'thickness in the distribution of players over the set of crowding attributes'. In treating such games we are able to significantly weaken the assumption on payoffs

functions to a very mild continuity property.

Related literature is discussed in Section 5. We comment here, however, on a related literature concerning purification of Nash equilibria in finite games with imperfect information. This literature demonstrates that if there is sufficient uncertainty over the signals (or types) that players receive then any mixed strategy can be purified (e.g. Radner and Rosenthal 1982, Aumann et al. 1983). Given that we model games of imperfect information it is important to emphasize that we do not treat this form of purification - our results also hold for games of perfect information.

We proceed as follows: Section 2 introduces definitions and notation. In Section 3 we treat purification, providing a simple example before defining the large game property and providing our two main results. In Section 4 we provide a brief discussion of the literature and Section 5 concludes the paper. Additional proofs are provided in an Appendix.

2 Bayesian games and noncooperative pregames

We begin this section by defining a Bayesian game and its components. The pregame framework is then introduced and we demonstrate how Bayesian games can be induced from a pregame. Next, we consider the strategies available to players in a Bayesian game and discuss expected payoffs. We finish by defining a Nash equilibrium.

2.1 A Bayesian game

A Bayesian game Γ is given by a tuple $(N; A; T; g; u)$ where N is a finite player set, A is a set of action profiles, T is a set of type profiles, g is a probability distribution over type profiles and u is a set of utility functions.

We define these components in turn.

Let $N = \{1, \dots, n\}$ be a finite player set, let A denote a countable set of actions and let T denote a countable set of types. 'Nature' assigns each player a type. Informed of his own type but not the types of his opponents, each player chooses an action. Let A^N be the set of action profiles and let T^N be the set of type profiles. Given action profile a and type profile t we interpret a_i and t_i as respectively the action and type of player $i \in N$.

A player's payoff depends on the actions and types of players. Formally, in game Γ , for each player $i \in N$ there exists a utility function $u_i : A \times T \rightarrow \mathbb{R}$. In interpretation $u_i(a; t)$ denotes the payoff of player i if the action profile is a and the type profile is t . Let u denote the set of utility functions.

A player, once informed of his own type, selects an action without knowing the types of the complementary player set. A player thus forms beliefs over the types he expects others to be. These beliefs are represented by a function p_i where $p_i(t_{-i} | t_i)$ denotes the probability that player i assigns to type profile $(t_{-i} | t_i)$ given that he is of type t_i . Throughout we will assume consistent beliefs. Formally, for some probability distribution over type profiles g , we assume:

$$p_i(t_{-i} | t_i) = \frac{\sum_{t_i^0 \in T_i} g(t_i; t_i^0)}{\sum_{t_i^0 \in T_i} g(t_i; t_i^0)} \quad (1)$$

for all $i \in N$ and $t_i \in T$.⁵ We denote by T_i the set of types $t_i \in T$ such that $\sum_{t_i^0 \in T_i} g(t_i; t_i^0) > 0$. Thus, player i will be a type $t_i^z \in T_i$.

⁵We do not require (1) to hold if $\sum_{t_i^0 \in T_i} g(t_i; t_i^0) = 0$; i.e. if there is no probability that player i is type t_i .

2.2 Noncooperative pregames

To treat a family of games all induced from a common strategic situation we first introduce a space of player attributes, denoted by Θ . An attribute $\theta \in \Theta$ is composed of two elements $\theta = (\theta^1; c)$ - a taste attribute and a crowding attribute. In interpretation, the crowding attribute of a player describes those characteristics that might affect other players, for example, gender, ability to do the salsa, educational level, and so on. Let P denote a set of taste attributes and let C denote a set of crowding attributes. We assume that $P \times C = \Theta$. If a player i has attribute $\theta = (\theta^1; c)$ then θ^1 is interpreted as giving her payoff function and c is interpreted as determining how her strategy choice influences the payoffs of others. We will assume that C is a compact metric space (while no assumptions are made on P).

Let N be a finite player set. A function θ mapping from N to Θ is called an attribute function. The pair $(N; \theta)$ is a population. While an attribute consists of a taste attribute/crowding attribute pair, crowding attributes play a special role. Thus, given an attribute function θ we denote by \cdot the projection of θ onto C . Given population $(N; \theta)$ the attribute of player i is therefore $\theta(i)$ and the crowding attribute of player i is $\cdot(i)$ where $\theta(i) = (\theta^1; \cdot(i))$ for some $\theta^1 \in P$. Taking as given a countable set of actions A and types T a population $(N; \theta)$ induces a Bayesian game $\Gamma_i(N; \theta) = (N; A; T; g^\theta; u^\theta)$ as we now formalize.

Denote by W the set of all mappings from $C \times A \times T$ into Z_+ ; the non-negative integers. A member of W is called a weight function. Given population $(N; \theta)$ we say that weight function $w_{\theta; a; t}$ is relative to action profile a and type profile t if:

$$w_{\theta; a; t}(c; a^1; t^2) = \sum_{i \in N} \theta^1(i) \cdot (i) = c; a_i = a^1 \text{ and } t_i = t^2 \quad \forall i \in N$$

Thus, $w(c; a^1; t^2)$ denotes the number of players with crowding attribute c and type t^2 who play action a^1 . A universal payoff function h maps $- \in A \in T \in W$ into R_+ . Given a population $(N; \mathbb{R})$ the function h will determine the payoff function $u_i^{\mathbb{R}}$ of any player $i \in N$: The payoff of player i will depend on his attribute, his action, his type and the weight function induced by the attributes, actions and types of the complementary player set. Formally, given an action profile a and a type profile t :

$$u_i^{\mathbb{R}}(a; t) = h^{\mathbb{R}}(i; a_i; t_i; w_{\mathbb{R}; a; t}):$$

Denote by D the set of all mappings from $- \in T$ into Z_+ . A member of D is called a type function. Given population $(N; \mathbb{R})$ we say that type function $d_{\mathbb{R}; t}$ is relative to type profile t if:

$$d_{\mathbb{R}; t}(!; t^2) = \# \{ i \in N : \mathbb{R}(i) = ! \text{ and } t_i = t^2 \}:$$

Thus, $d_{\mathbb{R}; t}(!; t)$ denotes the number of players with attribute $!$ and type t^2 .⁶ A universal beliefs function b maps D into $[0; 1]$. The value $b(d_{\mathbb{R}; t})$ is interpreted as the probability of type profile t . Formally:

$$g^{\mathbb{R}}(t) = b(d_{\mathbb{R}; t})$$

where $g^{\mathbb{R}}$ is a probability distribution over type profiles for the population $(N; \mathbb{R})$ induced from the universal beliefs function b . Players are assumed to have consistent beliefs with respect to $g^{\mathbb{R}}$. It is important to realize the differences between functions $g^{\mathbb{R}}$ and b . Function $g^{\mathbb{R}}$ is defined relative to a population $(N; \mathbb{R})$ and its domain is T^N . Function b , however, is defined independently of any specific game and has domain D .⁷

⁶Note that $d_{\mathbb{R}; t}$ is a projection of $w_{\mathbb{R}; a; t}$ onto $- \in T$.

⁷Also, summing $g^{\mathbb{R}}$ over its domain gives a value of one - because it describes a unique population - while the sum of b over its domain is non-finite - because it describes beliefs for any population.

A pregame is given by a tuple $G = (-; A; T; b; h)$, consisting of a compact metric space $-$, countable sets A and T , functions $b : D_i \rightarrow [0; 1]$ and $h : - \times A \times T \times W_i \rightarrow \mathbb{R}_+$. As discussed above we refer to a population $(N; \mathbb{R})$ as inducing, through the pregame, a Bayesian game $\Gamma_i(N; \mathbb{R}) = (N; A; T; g^{\mathbb{R}}; u^{\mathbb{R}})$.

2.3 Strategies and expected payoffs

Take as given a population $(N; \mathbb{R})$ and induced Bayesian game $(N; A; T; g^{\mathbb{R}}; u^{\mathbb{R}})$. Knowing his own type, but not those of his opponents a player chooses an action. A pure strategy details the action a player will take for each type $t^z \in T$ and is given by a function $s^k : T \rightarrow A$ where $s^k(t^z)$ is the action played by the player if he is of type t^z . Let S denote the set of strategies.

A (mixed) strategy is given by a probability distribution over the set of pure strategies. The set of strategies is thus $\Phi(S)$. Given a strategy x we denote by $x(k)$ the probability that a player plays pure strategy $k \in S$. We denote by $x(a^l | t^z)$ the probability that a player plays action a^l given that he is of type t^z . We note that $\sum_{a^l \in A} x(a^l | t^z) = 1$ for all $t^z \in T$. Let $\mathcal{S} = \Phi(S)^N$ denote the set of strategy vectors. We refer to a strategy vector m as a degenerate if for all $i \in N$ and $t^z \in T$ there exists some a^l such that $m_i(a^l | t^z) = 1$.

We assume that players are motivated by expected payoffs.⁸ Given a strategy vector \mathcal{M} , a type $t^z \in T_i$ and beliefs about the type profile $p_i^{\mathbb{R}}$ the probability that player i puts on the action profile-type profile pair

⁸We use the vNM assumption for convenience but our results do not depend on it: To derive our main results we impose either a large game property or a continuity property and in doing so impose all the assumptions needed on the $U_i^{\mathbb{R}}$ functions. Neither the large game property or continuity property require the vNM assumption to hold.

$a = (a_1; \dots; a_n)$ and $t = (t_1; \dots; t_{i-1}; t^z; t_{i+1}; \dots; t_n)$ is given by:

$$\Pr(a; t_i | t^z) \stackrel{\text{def}}{=} p_i^{\otimes}(t_i | t^z) \cdot \prod_{j=1}^{i-1} p_j(a_j | t_j) \cdot \prod_{j=i+1}^n p_j(a_j | t_j).$$

Thus, given any strategy vector σ_i , for any type $t^z \in T$ and any player i of type t^z , the expected payoff of player i can be calculated. Let $U_i^{\otimes}(t^z) : S \rightarrow \mathbb{R}$ denote the expected utility function of player i conditional on the type of player i being t^z where:

$$U_i^{\otimes}(\sigma_i | t^z) \stackrel{\text{def}}{=} \sum_{a \in A} \sum_{t_{-i} \in T_{-i}} \Pr(a; t_i | t^z) u_i^{\otimes}(a; t_{-i} | t^z).$$

2.4 Nash equilibrium and purification

The standard definition of a Bayesian Nash equilibrium applies. A strategy vector σ_i is a Bayesian Nash ϵ -equilibrium (or informally an approximate Bayesian Nash equilibrium) if and only if:

$$U_i^{\otimes}(\sigma_i | \sigma_{-i} | t^z) \geq U_i^{\otimes}(x | \sigma_{-i} | t^z) - \epsilon$$

for all $x \in \Phi(S)$, all $t^z \in T_i$ and for all $i \in N$. We say that a Bayesian Nash ϵ -equilibrium m is a Bayesian Nash ϵ -equilibrium in pure strategies if m is degenerate.

Given a game $\Gamma_i(N; \otimes)$ we say that two strategy profiles σ_i and m are ϵ -equivalent if, for all $i \in N$ and $t^z \in T_i$:

$$|U_i^{\otimes}(m | t^z) - U_i^{\otimes}(\sigma_i | t^z)| \leq \epsilon.$$

We say that a strategy profile σ_i can be ϵ -purified if there exists a strategy profile m that is degenerate and ϵ -equivalent to σ_i .⁹

⁹A related notion of ϵ -purification was introduced by Aumann et. al. (1983). There, the notion of ϵ -purification is relative to strategies and not strategy vectors. Thus, two

3 Purification

Before providing our main results it may be useful to provide a simple example:

Example 1: There are two crowding attributes - rich and poor. Players must choose one of two pure strategies or locations A and B. A poor player prefers living with rich players and thus his payoff is equal to the proportion of rich players whose choice of location he matches. A rich player prefers to not live with poor players and thus his payoff is equal to the proportion of poor players whose choice of location he does not match.

Any game induced from this pregame has a Nash equilibrium. It is simple to see, however, that if there exists an odd number of either rich or poor players then there does not exist a Nash equilibrium in pure strategies. Also, if either the number of rich players or the number of poor players is small then there need not exist an approximate Nash equilibrium in pure strategies, no matter how large the total population.

Our first main result (Theorem 2) demonstrates that if a pregame satisfies a large game property then, in any induced game with sufficiently many players, any Nash equilibrium can be approximately purified. The pregame of Example 1 does not satisfy the large game property; the large game property requires that any small group of players have diminishing influence in populations with a larger player set.

Our second main result (Theorem 3) demonstrates that if a pregame satisfies a mild continuity property then, in any game with a thick distribution of strategies p and t are ϵ -equivalent for player i if $|U_i^\otimes(p; \frac{1}{2} \mathbb{1}_i) - U_i^\otimes(t; \frac{1}{2} \mathbb{1}_i)| < \epsilon$ for any $\frac{1}{2} \mathbb{1}_i \in \mathcal{S}^{Nnfig}$. This definition proves useful in considering games of incomplete information but is too restrictive to be of use in considering games of complete information.

bution of attributes', there exists an approximate Nash equilibrium in pure strategies. The pregame of Example 1 satisfies the continuity property; applying Theorem 3 demonstrates that if there are sufficiently many players who are rich and also sufficiently many who are poor then there exists an approximate Nash equilibrium in pure strategies.

3.1 Approximating mixed strategy profiles by pure strategy profiles

This section states a preliminary result. Theorem 1 shows that given any strategy profile σ , there exists a degenerate strategy profile m such that (i) each player i is assigned a pure strategy k in the support of σ_i , and (ii) the number of players who play each pure strategy k is 'close' to the expected number who would have played k given strategy profile σ . With this result in hand our main results can be easily proved. We note now that, when applying Theorem 1 in the proofs of Theorems 2 and 3, the strategy profile σ is not (necessarily) to be thought of as 'the strategy profile of the population' but more as the strategy profile restricted to those players who have the same crowding attribute.

Theorem 1: For any strategy profile $\sigma = (\sigma_1; \dots; \sigma_n)$ there exists a degenerate strategy profile $m = (m_1; \dots; m_n)$ such that:

$$\text{support}(m_i) \cap \text{support}(\sigma_i) \neq \emptyset \quad (2)$$

for all i and:

$$\sum_{k \in \text{support}(\sigma_i)} m_i(k) \approx \sum_{k \in \text{support}(\sigma_i)} \sigma_i(k) \cdot 1 \quad (3)$$

for all $k \in S$.

Observe that if σ_i , in Theorem 1, were a Nash equilibrium, then Theorem 1 states that there is an approximating pure strategy profile m where every player plays a pure strategy in his best response set for σ_i . This is crucial in proving our two main theorems in that allows us to ‘aggregate’ the strategies of players who have the same crowding attribute yet potentially different taste attributes.

We highlight the relationship between Theorem 1 and the related but distinct Shapley-Folkman Theorem and note that the Shapley-Folkman Theorem will not suffice for our purposes.¹⁰ For the reader’s convenience we state the Shapley-Folkman Theorem:

Shapley-Folkman Theorem:¹¹ If A_1, \dots, A_J is a collection of sets in \mathbb{R}^m , $J > m$, then for any $x \in \text{con}(\prod_{j=1}^J A_j)$ there exists a representation of x of the form: $x = \sum_{j \in J_1} y_j + \sum_{j \in J_2} z_j$, where for each $j \in J_1$, $y_j \in A_j$ and for each $j \in J_2$, $z_j \in \text{con}(A_j)$, $|J_1| + |J_2| = J$ and $|J_2| \leq m$.

If we let K denote the number of strategies then from the Shapley-Folkman Theorem we obtain: for any strategy profile $\sigma = (\sigma_1, \dots, \sigma_n)$ there exists a degenerate strategy profile $m = (m_1, \dots, m_n)$ such that: $\text{support}(m_i) \subseteq \text{support}(\sigma_i)$ for all i and:

$$\max_{k \in S} \sum_{i=1}^n m_i(k) \sum_{i=1}^n \sigma_i(k) < K \quad (4)$$

¹⁰As discussed in Section 4 Rashid (1983) does make use of the Shapley-Folkman Theorem in proving a special case of our Theorem 2.

¹¹See, for example, Green and Heller (1991) for a proof of the Shapley-Folkman Theorem.

In Theorem 1 we obtain a bound that is independent of the number of strategies K . This is clearly crucial in treating a non-finite set of strategies, which is permitted by our model. We leave the full relationship between the Shapley-Folkman Theorem and Theorem 1 as an open question.

3.2 Continuity in crowding attributes

To derive our purification results we make use of a natural and mild continuity assumption on crowding attributes, introduced in Wooders, Cartwright and Selten (2002), that will be assumed throughout. Given the strategy choices of other players, it is assumed that each player is nearly indifferent to a minor perturbation of the crowding attributes of other players (provided his own crowding attribute is unchanged). Formally:

Continuity in crowding attributes: We say that a pregame G satisfies continuity in crowding attributes if: for any $\epsilon > 0$, any two populations $(N; \mathbb{R})$ and $(N; \mathbb{R}')$ and any strategy profile $s \in S^N$ if:

$$\max_{j \in N} \text{dist}(c_j; c'_j) < \epsilon$$

then for any $i \in N$ where $\mathbb{R}(i) = \mathbb{R}'(i)$:

$$|U_i^{\mathbb{R}}(s_i; s_{-i}^{t^z}) - U_i^{\mathbb{R}'}(s_i; s_{-i}^{t^z})| < \epsilon$$

all $t^z \in T_i$. Where 'dist' is the metric on the space of crowding attributes C :

Note that in the definition of continuity in crowding attributes the strategy profile is held constant. Thus, the attributes of players may change but their strategies may not.

3.3 Large game property

To define the large game property, some additional notation and definitions are required. Denote by EW the set of functions mapping $C \in A \in T$ into \mathbb{R}_+ , the set of non-negative reals. We refer to $ew \in EW$ as an expected weight function. Given a population $(N; \mathbb{R})$ we say that an expected weight function $ew_{\mathbb{R}; \mathcal{I}}$ is relative to strategy profile \mathcal{I} if and only if:

$$ew_{\mathbb{R}; \mathcal{I}}(c; a^l; t^z) = \sum_{a^l \in A} \sum_{t^z \in T} w_{\mathbb{R}; a; t}(c; a^l; t^z) \Pr(a; t)$$

for all $!; a^l$ and t^z . Thus, $ew_{\mathbb{R}; \mathcal{I}}(!; a^l; t^z)$ denotes the expected number of players of crowding-attribute c who will have type t^z and play action a^l . Note that this expectation is taken before any player is aware of his type.

Fix a population $(N; \mathbb{R})$. Let $EW_{\mathbb{R}}$ denote the set of expected weight functions that may be realized given population $(N; \mathbb{R})$. We define a metric on the space $EW_{\mathbb{R}}$:

$$\text{dist1}(ew; eg) = \frac{1}{|N|} \sum_{a^l \in A} \sum_{t^z \in T} \sum_{c \in C} |ew(c; a^l; t^z) - eg(c; a^l; t^z)|$$

for any $ew; eg \in EW_{\mathbb{R}}$. Thus, two expected weight functions are 'close' if the expected proportion of players with each crowding attribute and each type playing each action are close. We can now state our main assumption:

Large game property: We say that a pregame G satisfies the large game property if: for any $\epsilon > 0$, any population $(N; \mathbb{R})$ and any two strategy profiles $\mathcal{I}_i; \mathcal{I}_i \in \mathcal{S}^N$ with expected weight functions $ew_{\mathbb{R}; \mathcal{I}_i}; ew_{\mathbb{R}; \mathcal{I}_i}$ satisfying:

$$\text{dist1}(ew_{\mathbb{R}; \mathcal{I}_i}; ew_{\mathbb{R}; \mathcal{I}_i}) < \epsilon$$

if $\mathcal{I}_i = \mathcal{I}_i$ then:

$$\sum_j U_i^{\mathbb{R}}(\mathcal{I}_i; \mathcal{I}_i | j t^z) - U_i^{\mathbb{R}}(\mathcal{I}_i; \mathcal{I}_i | j t^z) < \epsilon$$

for all $t^z \geq T_i$.

If a pregame satisfies the large game property then we can think of games induced from the pregame as satisfying two conditions on payoff functions:

1. A player is nearly indifferent to a change in the proportion of players of each attribute playing each pure strategy (provided his own strategy is unchanged); thus, any one individual has near-negligible influence over the payoffs of other players.
2. A player is 'risk neutral' in the sense that the expected weight function largely determines his payoff; thus two strategy profiles that induce the same expected weight function give a similar payoff.

The first condition is reflective of the attribute of game under consideration and is crucial to obtaining our main result; Example 1, for instance, does not satisfy the large game property in this respect. The second condition is relatively mild given that we consider games with many players; it follows, for example, from the law of large numbers that in the case of a finite strategy set, with high probability, in a game with many players the realized weight function will be close to the expected weight function (Kalai 2002).¹²

Note that the large game property relates to changes in the strategies of players while their attributes do not change; this contrasts with the assumption of continuity in crowding attributes that relates to changes in attributes while strategies do not change. As a consequence a pregame may satisfy the large game property and yet there not be continuity in attributes and vice-versa.

¹²Thus, it is not so much that players are risk neutral but rather that there is little risk.

3.4 Main Result; Approximate purification

Our main result demonstrates that in sufficiently large games with many players any Nash equilibrium can be approximately purified.

Theorem 2: Consider a pregame $G = (-; A; T; b; h)$ satisfying continuity in crowding attributes and the large game property. Given any real number $\epsilon > 0$ there is an integer $\hat{n}(\epsilon)$ with the property that, for any induced game $\gamma_j(N; \mathbb{R})$ where $|N| > \hat{n}(\epsilon)$ and for any Nash equilibrium σ of game $\gamma_j(N; \mathbb{R})$; there exists a Bayesian Nash ϵ -equilibrium in pure strategies m that is an ϵ -purification of σ .

Proof: Suppose not. Then there is some $\epsilon > 0$ such that for each integer \circ there is an induced game $\gamma_j(N^\circ; \mathbb{R}^\circ)$ with $|N^\circ| > \circ$ and a Nash equilibrium σ° with the property that there exists no Nash ϵ -equilibrium in pure strategies providing an ϵ -purification of σ° . Given that σ° is a Nash equilibrium, for any $i \in N^\circ$ and for any strategy m_i° where $\text{support}(m_i^\circ) \cap \text{support}(\sigma_i^\circ) \neq \emptyset$ we have:

$$U_i^{\mathbb{R}^\circ}(m_i^\circ; \sigma_{-i}^\circ | t^z) \geq U_i^{\mathbb{R}^\circ}(s; \sigma_{-i}^\circ | t^z) \quad (5)$$

for all $t^z \in T_i$ and $s \in S$.

Use compactness of C to write C as the disjoint union of a finite number of non-empty subsets $C_1; \dots; C_A$, each of diameter less than $\frac{1}{6}\epsilon$. For each $a = 1; \dots; A$, choose and fix a point $c_a \in C_a$. For each \circ , without changing taste attributes of players, we define the crowding attribute function $\bar{\tau}^\circ$ by its coordinates $\bar{\tau}^\circ(j)$ as follows:

$$\text{for each } j \in N, \bar{\tau}^\circ(j) = c_a \text{ if and only if } j \in C_a:$$

Define new attribute functions $\bar{\theta}^\circ$ by $\bar{\theta}^\circ(j) = (\frac{1}{4}(j); \bar{\theta}^\circ(j))$ when $\theta^\circ(j) = (\frac{1}{4}(j); \theta^\circ(j))$ for each $j \in N^\circ$. By applying Theorem 1 to each $c \in \bar{\theta}^\circ(N)$, i.e. $c_1; \dots; c_A$ it follows that there exists a sequence $\{m_i^\circ\}$ of degenerate strategy profiles such that:

1. for all $c \in C$, $a^1 \in A$ and $t^z \in T$

$$\lim_{j \rightarrow \infty} \frac{eg_{\bar{\theta}^\circ; m_i^\circ}(c; a^1; t^z)}{jN^\circ j} = \lim_{j \rightarrow \infty} \frac{ew_{\bar{\theta}^\circ; \frac{3}{4}^\circ}(c; a^1; t^z)}{jN^\circ j}; \text{ and} \quad (6)$$

2. for all \circ and $i \in N^\circ$,

$$\text{support}(m_i^\circ) \cap \text{support}(\frac{3}{4}_i^\circ) = \emptyset \quad (7)$$

Pick an arbitrary \circ and player $i \in N^\circ$. Consider the attribute function $\bar{\theta}^\circ$ where $\bar{\theta}^\circ(i) = \theta^\circ(i)$ and $\bar{\theta}^\circ(j) = \theta^\circ(j)$ for all $j \neq i$. By continuity in crowding attributes:

$$\left| U_i^{\bar{\theta}^\circ}(s; \frac{3}{4}_i^\circ j t^z) - U_i^{\bar{\theta}^\circ}(s; \frac{3}{4}_i^\circ j t^z) \right| < \frac{\epsilon}{6}$$

for all $t^z \in T_i$ and $s \in S$, and:

$$\left| U_i^{\theta^\circ}(s; m_i^\circ j t^z) - U_i^{\bar{\theta}^\circ}(s; m_i^\circ j t^z) \right| < \frac{\epsilon}{6}$$

for any $t^z \in T_i$ and $s \in S$. In view of (6) and the large game property it is clear if \circ was sufficiently large:

$$\left| U_i^{\bar{\theta}^\circ}(s; \frac{3}{4}_i^\circ j t^z) - U_i^{\bar{\theta}^\circ}(s; m_i^\circ j t^z) \right| < \frac{\epsilon}{6}$$

for any $t^z \in T_i$ and $s \in S$. Thus, for \circ sufficiently large and for any $i \in N^\circ$:

$$\left| U_i^{\theta^\circ}(s; m_i^\circ j t^z) - U_i^{\theta^\circ}(s; \frac{3}{4}_i^\circ j t^z) \right| < \frac{\epsilon}{2}$$

for any $t^z \in T_i$ and $s \in S$. Finally, given (7) and (5) for \circ sufficiently large:

$$U_i^{\theta^\circ}(m_i^\circ; m_i^\circ j t^z) - U_i^{\theta^\circ}(s; m_i^\circ j t^z) > \frac{\epsilon}{2}$$

for all $t^z \in T_i$ and $s \in S$. This gives the desired contradiction. \square

3.5 Many players of each crowding attribute

Our third result demonstrates that, when for each player in an induced game there are sufficiently many players with similar attributes, weaker conditions are sufficient to approximately purify Nash equilibrium.

Fix a population $(N; \mathbb{R})$. As before let $EW_{\mathbb{R}}$ denote the set of expected weight functions that may be realized given population $(N; \mathbb{R})$. For each $c \in C$ with $c \in (N)$, let $\frac{1}{2}(c) \in [0, 1]^T$ be the number of players with crowding attribute c . We define a second metric on the space $EW_{\mathbb{R}}$:

$$\text{dist}_2(ew; eg) = \sum_{c \in (N)} \frac{1}{\frac{1}{2}(c)} \sum_{a^1 \in A} \sum_{t^2 \in T} |ew(c; a^1; t^2) - eg(c; a^1; t^2)|$$

for any $ew, eg \in EW_{\mathbb{R}}$. Thus, two expected weight functions are 'close' if the expected proportions of players with each crowding attribute playing each pure strategy are close. This differs significantly from the earlier dist_1 where closeness is judged on the proportions relative to the total population playing each pure strategy. It is immediate that $\text{dist}_2(ew; eg) \leq \text{dist}_1(ew; eg)$. We state a second assumption that weakens the large game property:

Continuity property: We say that a pregame G satisfies the continuity property if: for any $\epsilon > 0$, any population $(N; \mathbb{R})$ and any two strategy profiles $\mathcal{A}_i, \mathcal{A}'_i \in \mathcal{S}^N$ where:

$$\text{dist}_2(ew_{\mathbb{R}; \mathcal{A}_i}; ew_{\mathbb{R}; \mathcal{A}'_i}) < \epsilon$$

if $\mathcal{A}_i = \mathcal{A}'_i$ then:

$$|U_i^{\mathbb{R}}(\mathcal{A}_i; \mathcal{A}_i | t^2) - U_i^{\mathbb{R}}(\mathcal{A}'_i; \mathcal{A}'_i | t^2)| < \epsilon$$

for all $t^2 \in T_i$.

The continuity property appears mild. In particular, one player can have a large influence even in large populations if he is the only player with his crowding attribute. Thus, for example, the pregame of Example 1 satisfies the continuity property but not the large game property. This illustrates that the continuity property is not sufficient to obtain a result such as Theorem 2.

Let $B_\zeta(c)$ denote a ball in crowding attribute space C centered on c of radius ζ . We denote by $F(\cdot; \zeta)$ the set of populations where $(N; \mathbb{R}) \in F(\cdot; \zeta)$ if and only if

$$\int_{c^0 \in B_\zeta(c)} \frac{1}{2} c^0 > \zeta$$

for all $c \in \mathbb{R}$. Thus, population $(N; \mathbb{R}) \in F(\cdot; \zeta)$ only if there is a certain 'thickness' to the distribution of players over crowding attributes. Note, however, that a population $(N; \mathbb{R}) \in F(\cdot; \zeta)$ may have the property that there is a 'large' subset c^0 of attribute space and no player $i \in N$ with attributes in c^0 .

We obtain the following result:

Theorem 3: Consider a pregame $G = (\cdot; A; T; b; h)$ that satisfies continuity in crowding attributes and the continuity property. Given any real number $\epsilon > 0$ there is an integer $\bar{n}(\epsilon)$ and a real number $\zeta(\epsilon) > 0$ such that for any population $(N; \mathbb{R}) \in F(\bar{n}(\epsilon); \zeta(\epsilon))$ and any Nash equilibrium \mathfrak{A} of the induced game $\bar{g}(N; \mathbb{R})$ there exists a Bayesian Nash ϵ -equilibrium in pure strategies m that is an ϵ -purification of \mathfrak{A} .

Proof: Suppose not. Then there is some $\epsilon > 0$ such that for each integer n there is a population $(N^n; \mathbb{R}^n) \in F(n; \frac{1}{36}\epsilon)$ and a Nash equilibrium \mathfrak{A}^n of

the induced game $\gamma_i(N^\circ; \mathbb{R}^\circ)$ with the property that there exists no Nash ϵ -equilibrium in pure strategies that is an ϵ -purification of \bar{c} .

To simplify notation for any set $A \subseteq C$ let $\frac{1}{2}^\circ(A) = \frac{1}{2} \cdot \text{card}(A)$ be the number of players in population $(N^\circ; \mathbb{R}^\circ)$ with crowding attribute $c \in A$.

We conjecture (*) that, by passing to a subsequence if necessary, there exists a partition of C into a finite number of non-empty subsets $C_1; \dots; C_Q$, each of diameter less than $\frac{\epsilon}{6}$ where the sequence $\frac{1}{2}^\circ(C_q)g_{\epsilon > 0}$ either tends to infinity or converges to zero. Assume that conjecture (*) is correct. Given the continuity property it is simple to see that a contradiction can be obtained in a similar manner to the contradiction in the proof of Theorem 2. It thus remains to prove conjecture (*).

Define $\delta = \frac{1}{36}$. Use compactness of C to write C as the disjoint union of a finite number of non-empty subsets $C_1; \dots; C_R$, each of diameter less than δ . This initial partition is unlikely to satisfy the desired properties; the desired partition will be 'formed' by merging subsets together. By passing to a sub-sequence if necessary, we can assume, for each C_r , that the sequence $Y_r = \frac{1}{2}^\circ(C_r)g_{\epsilon=1}^1$ either tends to infinity or converges to a finite limit. Define subsets A^1 and A^+ of $\{C_1; \dots; C_R\}$ by $C_r \in A^1$ if and only if Y_r tends to infinity and $C_r \in A^+$ if and only if Y_r tends to a positive real number. (Note that A^1 and A^+ do not necessarily comprise a partition of $\{C_1; \dots; C_R\}$ since Y_r may be zero for some C_r .)

Consider any $C_r \in A^+$. There must exist a real number ϵ_r such that for any population $(N^\circ; \mathbb{R}^\circ)$ where $\epsilon > \epsilon_r$ there is at least one player $i^\circ \in N^\circ$ with $c^\circ(i^\circ) \in C_r$. Let $c^\circ = \mathbb{R}^\circ(i^\circ)$ for all ϵ . By assumption:

$$\times \quad \frac{1}{2}^\circ(c^\circ) > \epsilon$$

$$c^\circ \in B_\delta(c^\circ)$$

for all ϵ . Fix an arbitrary point $c_r \in C_r$. Given that the diameter of C_r is δ

it holds that:

$$\sum_{c \in B_{2\epsilon}(c_r)} \frac{1}{2} \epsilon (c) > \epsilon$$

for all ϵ . Partitioning C into sets $C_1; \dots; C_R$ also partitions the ball $B_{2\epsilon}(c_r)$ into a finite number of sets $B_{2\epsilon}^1(c_r); \dots; B_{2\epsilon}^R(c_r)$ where:

$$c \in B_{2\epsilon}^a(c_r) \text{ if and only if } c \in B_{2\epsilon}^a(c_r) \text{ and } c \in C_a.$$

This implies that there must exist some $B_{2\epsilon}^a(c_r) \subset A^1$. Furthermore, $\text{dist}(c_r; c_a) < 3\epsilon$ for all $c_a \in C_a$ and all $c_r \in C_r$.

From the above, it follows, that by an appropriate merging of the subsets $C_1; \dots; C_R$ (and, in particular, merging a set $C_r \subset A^+$ with a set $C_a \subset A^1$) there must exist a partition of C into a finite number of non-empty subsets $C_1; \dots; C_Q$, each of diameter less than $6\epsilon = \frac{\delta}{6}$ where the sequence $f_{\epsilon \rightarrow 0} \frac{1}{2} \epsilon (C_r)$ either tends to infinity or converges to zero. This proves conjecture (*) and thus Theorem 3. \square

3.6 A remark on existence of equilibrium

With a countable set of strategies, a Nash equilibrium, even one in mixed strategies, may not exist. This is easy to see. Suppose, for example, the game is one where the prize goes to the player who announces the highest integer. If we add the requirement of compactness of the sets of actions and of types, however, then existence of a Bayesian-Nash equilibrium in mixed strategies can be obtained using, for example, the fixed point theorem of Glicksberg (1952).

4 Some further relationships to the literature

Two authors that provide results on purification with large but finite player sets are Rashid (1983) and Kalai (2002). Kalai (2002) provides sufficient conditions for the existence of an approximate Bayesian ex-post Nash equilibrium. One implication of Kalai's results is that every Nash equilibrium can be approximately purified.¹³ In contrast to this paper and Wooders, Cartwright and Selten (2001), Kalai requires both a finite number of actions and a finite number of types. It is an open question whether Kalai's sort of purification result will hold in the context of our paper.

With a finite set of strategies and finite types of players, Rashid (1983) makes use of the Shapley-Folkman Theorem to prove his result on existence of approximate equilibrium in pure strategies. By assuming a linearity of payoff functions Rashid demonstrates that 'near' to any Nash equilibrium there is an approximate Nash equilibrium in which $\sum_j N_j \leq K$ players use pure strategies (where K is the number of strategies) and K players may play mixed strategies. (See also Carmona 2003 where it is demonstrated that an additional condition, equicontinuity of payoff functions for example, is required).

The frameworks of Rashid (1983) and Kalai (2002) permit at most a finite number of crowding attributes.¹⁴ Also, both assume finite sets of pure strategies. In these respects our Theorem 2 extends that due to Rashid (1983) and Kalai (2002).¹⁵

¹³Indeed, Kalai demonstrates that not only can a Nash equilibrium be purified but when a Nash equilibrium is played almost any realized set of strategy profiles must be an approximate Nash equilibrium.

¹⁴See footnote 4.

¹⁵See footnote 13.

Many authors have contributed to the literature on the existence of a pure strategy non-cooperative equilibria in games with a continuum of players (including Schmeidler 1973, Mas-Colell 1984, Khan 1989, 1998, Khan et al. 1997, Pascoa 1993a, 1998 and Khan and Sun 1999). This literature, given various assumptions on the strategy space, has demonstrated the existence of a non-cooperative equilibrium when payoffs depend on opponent's strategies through the distribution over pure strategies. Our Theorem 2 can be seen as providing a finite analogue to some of these continuum results.¹⁶

Within the literature on non-atomic games, the approach of Pascoa (1993a) appears most similar to our own. Pascoa (1993a) deals with non-anonymous games as introduced by Green (1984). A player in a non-anonymous game has a type (which could be thought as an attribute in our framework) and a player's payoff depends on his opponent's strategies through the distribution over types and pure strategies. More formally, let T denote a set of types and D the set of Borel probability measures over $T \in S$.¹⁷ The payoff to a player of type t from playing strategy s when the strategies of opponents is $\sigma \in D$ is given by $v(t; s; \sigma)$. To obtain his results Pascoa assumes that $v(t; \sigma; \sigma)$ is jointly continuous, with respect to the weak* topology on D .¹⁸ This corresponds to our assumption of a pregame that satisfies the large game property and continuity in crowding attributes. Pascoa (1993a,1998) also obtains existence results using conditions similar to those of our Theorem 3.

¹⁶Note that this literature is typically concerned with the existence of a non-cooperative equilibrium and not (as in this paper) the purification of a non-cooperative equilibrium that is assumed to exist (exceptions include Pascoa 1998).

¹⁷Where S denotes as previously the set of strategies.

¹⁸Pascoa (1993a) assumes a compact metric space of strategies.

5 Conclusions

This paper introduces a framework for studying asymptotic properties of strategic games with growing numbers of players. Our framework extends those already in the literature. The major innovations are our mathematical result (Theorem 1), allowing countable sets of actions and types, and the formalization of the separation of crowding and taste attributes of players. This separation plays a role in other research on noncooperative games, particularly on games with many players where similar players conform (see Wooders, Cartwright and Selten 2001 and Cartwright and Wooders 2003). To relate this separation to other lines of research, in models of private goods economies where the tastes of an individual affect other individuals only through his demand for private goods, a separation of tastes from other attributes of a player, in particular, endowment, is implicit. In the literature of local public goods economies and economies with clubs, where the utility of an individual depends on the attributes of other individuals in the same clubs, a distinction similar to that of this paper is made.¹⁹ While such a distinction may be implicit in numerous examples and could also have been built into some of the prior literature, except for our research, we are unaware of any formalization and use of this distinction in the prior literature of noncooperative game theory. In research in progress on noncooperative games, but following Conley and Wooders (1996, 2001) research on cooperative and price taking equilibrium, we endogenise choice of crowding attributes.

¹⁹We refer the reader to Wooders, Cartwright and Selten (2003) and Conley and Wooders (2001) and references there for further motivation and discussion of crowding types.

6 Appendix

We introduce some additional notation. Let $a = (a_1; \dots; a_n)$; $b = (b_1; \dots; b_n) \in \mathbb{R}^n$. We write $a \leq b$ if and only if $a_i \leq b_i$ for all $i = 1; \dots; n$. Given any strategy profile σ let $M(\sigma)$ denote the set of strategy profiles such that $m \in M(\sigma)$ if and only if (1) m is degenerate and (2) $\text{support}(m_i) \subseteq \text{support}(\sigma_i)$ for all $i \in N$. It is immediate that $M(\sigma)$ is non-empty for any σ .

Lemma 1: Let $N = \{1; \dots; n\}$ be a finite set. For any strategy profile $\sigma = (\sigma_1; \dots; \sigma_n)$ and for any function $\bar{g} : S \rightarrow \mathbb{Z}_+$ such that $\prod_{i \in N} \sigma_i \leq \bar{g}$, there exists $m \in M(\sigma)$ such that

$$\prod_i m_i \leq \bar{g}$$

Proof: Suppose the statement of the lemma is false. Then there exists a strategy profile $\sigma = (\sigma_1; \dots; \sigma_n)$ and a function \bar{g} where $\prod_{i \in N} \sigma_i \leq \bar{g}$, such that, for any vector $m = (m_1; \dots; m_n) \in M(\sigma)$ there must exist at least one k where $k \in S$ and $\prod_i m_i(k) < \bar{g}(k)$. For each vector $m \in M(\sigma)$ let L be defined as follows:

$$L(m) = \prod_{k \in S: \prod_i m_i(k) < \bar{g}_k} \frac{\bar{g}(k)}{\prod_i m_i(k)}$$

We note that $L(m)$ must be finite and positive for all m .²⁰ Select $m^0 \in M(\sigma)$ for which $L(m)$ attains its minimum value over all $m \in M(\sigma)$. Intuitively the vector m^0 is 'as close' as we can get to satisfying the lemma. We remark that the method of proof will be one of 'shunting' the pure strategies that

²⁰Note that the set of k such that $\prod_i m_i(k) < \bar{g}_k$ need not be finite. Given, however, that $\prod_k \prod_i \sigma_i(k) = |N|$ it must be that $\prod_k \bar{g}(k) \cdot |N|$ and thus $L(m)$ is finite.

players use so as to demonstrate the existence of a strategy profile m^a where $L(m^a) = L(m^0) - 1$. Providing the desired contradiction.

Pick a strategy k such that $\bar{g}(k) - \sum_{i \in N} m_i^0(k) > 0$. For any subset I of N let the set $S(I) \subseteq S$ be such that:

$$S(I) = \{k \in S : m_i^0(k) = 1 \text{ for some } i \in I\}$$

We can now define sets N^t for $t = 0, 1, \dots$ as follows:

$$N^0 = \{i \in N : m_i^0(k) = 1 \text{ and for all } t > 0$$

$$N^t = N^{t-1} \setminus \{j \in N : \exists k \in S^{N^{t-1}} : \frac{1}{2} m_j^0(k) > 0 \text{ and } m_j^0(k) = 0\}$$

Ultimately, for some $t^* \geq 1$ we must have that $N^{t^*+1} = N^{t^*} \cap \bar{N}$. This is an immediate consequence of the finiteness of the player set. Let $S(\bar{N}) \subseteq \bar{S}$.

Consider any pure strategy $k^a \in \bar{S}$. The construction of \bar{N} and \bar{S} imply that there must exist a chain of players $i_1, \dots, i_{\bar{t}} \in \bar{N}$ where (1) $m_{i_t}^0(k_t) = 1$ for $t = 1, \dots, \bar{t} - 1$, (2) $m_{i_{\bar{t}}}^0(k^a) = 1$, (3) $\frac{1}{2} m_{i_t}^0(k_{t-1}) > 0$ for $t = 2, \dots, \bar{t}$ and (4) $\frac{1}{2} m_{i_1}^0(k) > 0$. Thus, there exists a vector $m^a \in M(\frac{1}{2})$ such that:

$$m_{i_1}^a(k_1) = 0 \text{ and } m_{i_1}^a(k) = 1,$$

$$m_{i_{\bar{t}}}^a(k^a) = 0 \text{ and } m_{i_{\bar{t}}}^a(k_{\bar{t}-1}) = 1$$

$$m_{i_t}^a(k_t) = 0 \text{ and } m_{i_t}^a(k_{t-1}) = 1, \text{ for all } t = 2, \dots, \bar{t} - 1, \text{ and}$$

$$m_i^a(k) = m_i^0(k) \text{ for all other } i \text{ and } k:$$

Suppose that:

$$\sum_{i \in N} m_i^0(k^a) > \bar{g}(k^a):$$

This implies that:

$$\sum_{i \in N} m_i^0(k^a) \geq \bar{g}(k^a) + 1$$

and thus $L(m^a) = L(m^0) - 1$.

To avoid a contradiction we need:

$$\sum_{i \in N} m_i^0(k) \cdot \bar{g}(k) \tag{8}$$

for all $k \in \bar{S}$. Using the definition of \bar{S} there can exist no player $j \in N \setminus \bar{N}$ such that $\alpha_j(k) > 0$ for some $k \in \bar{S}$ unless $m_j^0(k) = 1$. This implies that:

$$\sum_{i \in N \setminus \bar{N}} m_i^0(k) \leq \sum_{i \in N \setminus \bar{N}} \alpha_i(k) \tag{9}$$

for all $k \in \bar{S}$. Using the definition of \bar{S} we have that:

$$\sum_{k \in \bar{S}} \sum_{i \in \bar{N}} m_i^0(k) \leq \sum_{k \in \bar{S}} \sum_{i \in \bar{N}} \alpha_i(k) \tag{10}$$

Combining (9) and (10) and using the statement of the lemma, we see that:

$$\sum_{k \in \bar{S}} \sum_{i \in N} m_i^0(k) \leq \sum_{k \in \bar{S}} \sum_{i \in N} \alpha_i(k) \leq \sum_{k \in \bar{S}} \bar{g}(k)$$

However, by assumption:

$$\bar{g}(k) > \sum_{i \in N} m_i^0(k)$$

and also by assumption, $k \in \bar{S}$. Thus, there must exist at least one $k \in \bar{S}$ such that:

$$\bar{g}(k) < \sum_{i \in N} m_i^0(k)$$

This contradicts (8) and completes the proof. \square

We introduce some additional notation. Given real number h let b_h denote the nearest integer less than or equal to h and d_h the nearest integer

greater than h (i.e. $b_9:5c = 9$ and $d_9:5e = 10$. Also note that $b_9c = 9$ and $d_9e = 10$).

Theorem 1: For any strategy profile $\frac{3}{4} = (\frac{3}{4}_1; \dots; \frac{3}{4}_n)$ there exists a degenerate strategy profile $m = (m_1; \dots; m_n)$ such that:

$$\text{support}(m_i) \supseteq \text{support}(\frac{3}{4}_i) \tag{11}$$

for all i and:

$$\sum_{i=1}^n \frac{3}{4}_i(k) \leq \sum_{i=1}^n m_i(k) \leq \sum_{i=1}^n \frac{3}{4}_i(k)$$

for all $k \in S$.

Proof: Denote by $M^\pi(\frac{3}{4})$ the set of vectors $m = (m_1; \dots; m_n) \in M(\frac{3}{4})$ such that $\sum_{i=1}^n m_i(k) \leq \sum_{i=1}^n \frac{3}{4}_i(k)$ for all k . By Lemma 1 this set is non-empty. Proving the Lemma thus amounts to showing that there exists a vector $m \in M^\pi(\frac{3}{4})$ such that $\sum_{i=1}^n \frac{3}{4}_i(k)e_{s_k} \leq \sum_{i=1}^n m_i(k)$ for all $s_k \in S$. Suppose not. Then, for every vector $m \in M^\pi(\frac{3}{4})$ there exists some strategy $k \in S$ such that $\sum_{i=1}^n m_i(k) > \sum_{i=1}^n \frac{3}{4}_i(k)e$. For any strategy profile $m \in M^\pi(\frac{3}{4})$ define $L(m)$ by:

$$L(m) = \sum_{k: \sum_{i=1}^n m_i(k) > \sum_{i=1}^n \frac{3}{4}_i(k)e} \sum_{i=1}^n m_i(k) - \sum_{i=1}^n \frac{3}{4}_i(k)$$

We note that $L(m)$ is always positive and finite. Pick strategy profile $m^0 \in M^\pi(\frac{3}{4})$ where the value of $L(m)$ is minimized. We note that m^0 comes as close as any profile to satisfying the statement of the Lemma.

Denote by k a pure strategy such that:

$$\sum_{i=1}^n m_i^0(k) > \sum_{i=1}^n \frac{3}{4}_i(k)$$

We introduce sets S^t and N^t , $t = 0; 1; 2; \dots$, where:

$$N^0 = \{i : m_i^0(k) = 1\} \text{ and for } t > 0$$

and for $t > 0$,

$$S^t = \{k : \exists i \in N^{t-1} g \text{ such that } \frac{3}{4} m_i^0(k) > 0\}$$

$$N^t = \{i : m_i^0(k) = 1 \text{ for some } k \in S^t\}.$$

For some t^* , $N^{t^*} = N^{t^*+1} \cap \bar{N}$ and $S^{t^*} = S^{t^*+1} \cap \bar{S}$. The construction of S^t and N^t imply that for any $k^* \in \bar{S}$ there must exist a set of players $\{i_0; i_1; \dots; i_{\bar{t}}\} \subset \bar{N}$ such that:

$$m_{i_0}^0(k^*) = 1 \text{ and } \frac{3}{4} m_{i_0}^0(k_1) > 0,$$

$$m_{i_r}^0(k_r) = 1 \text{ and } \frac{3}{4} m_{i_r}^0(k_{r+1}) > 0 \text{ for all } r = 1; \dots; \bar{t} - 1,$$

$$m_{i_{\bar{t}}}^0(k_{\bar{t}}) = 1 \text{ and } \frac{3}{4} m_{i_{\bar{t}}}^0(k^*) > 0,$$

Suppose there exists $k^* \in \bar{S}$ such that:

$$\prod_{i=1}^{\bar{t}} m_i^0(k^*) \cdot \prod_{i=1}^{\bar{t}} \frac{3}{4} m_i^0(k^*) > 0.$$

Given the chain of players $\{i_0; i_1; \dots; i_{\bar{t}}\} \subset \bar{N}$ as introduced above, consider the vector m^* constructed as follows:

$$m_{i_0}^*(k^*) = 0 \text{ and } m_{i_0}^*(k_1) = 1,$$

$$m_{i_r}^*(k_r) = 0 \text{ and } m_{i_r}^*(k_{r+1}) = 1 \text{ for all } r = 1; \dots; \bar{t} - 1,$$

$$m_{i_{\bar{t}}}^*(k_{\bar{t}}) = 0 \text{ and } m_{i_{\bar{t}}}^*(k^*) = 1,$$

$$m_i^*(k) = m_i^0(k) \text{ for all other } k \in S \text{ and } i \in N.$$

It is easily checked that the vector $m^* \in M(\frac{3}{4})$ leads to the desired contradiction given that $L(M^*) = L(m^0) \cap \bar{N}$. We note, however, that:

$$\prod_{i=1}^{\bar{t}} \prod_{k \in \bar{S}} m_i^0(k) = \frac{1}{|\bar{N}|} = \prod_{i \in \bar{N}} \prod_{k \in \bar{S}} \frac{3}{4} m_i^0(k):$$

Thus, if:

$$\sum_{i=1}^n m_i^0(k) > \sum_{i=1}^n \frac{3}{4}_i(k) + \sum_{i \in \bar{N}} \frac{3}{4}_i(k)$$

there must exist some $k^n \in \bar{S}$ such that:

$$\sum_{i=1}^n m_i(k^n) + \sum_{i \in \bar{N}} \frac{3}{4}_i(k^n) + \sum_{i=1}^n \frac{3}{4}_i(k^n)$$

giving the desired contradiction. \square

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