Özet / Abstract:

Following the models of exchange networks, subject to stochastic matching between the pairs of agents, we analyze the dynamics of bargaining under risk sharing in such frameworks. Homogeneous expectations, heterogeneous expectations and social preferences are three scenarios addressed in the study. The continuation and the extension of earlier works lie in the consideration of stochastic shocks, introduced through a Poisson process, which can put the coordination within the decentralized trading mechanism at risk. By means of Pareto weights, agents can nevertheless apply a risk-sharing protocol so as to mitigate against the shocks. In all three scenarios, the model outcomes show that the Nash bargaining solutions are unstable and thus unbalanced. That being stated, the results also show that, on condition that the time length is sufficiently long, the balancing dynamics systematically converges to a fixed point situated a little way from the balanced outcome.