

**Economics
Seminar
Series
2020**



**SOUTH ASIAN UNIVERSITY
FACULTY OF ECONOMICS**

Seminar

***Potential Games, Large Population Contests
and Affirmative Action***

**Ratul Lahkar
Ashoka University**

Date: February 27, 2020
(Thursday)
Time: 2:30 p.m.
Venue: FSI Hall
Akbar Bhawan, Satya Marg
Chanakyapuri, New Delhi

All are Welcome

ABSTRACT

We define and analyze the class of large population generalized aggregative potential games. These are games which satisfies a more general notion of aggregation with respect to a strategy effectiveness function. Using the fact that they are also potential games, we establish conditions under which such games have a unique Nash equilibrium. We apply this class of games to introduce the model of large population Tullock contests. We characterize Nash equilibrium of such contests in closed form under general conditions of asymmetry and non-linearities in strategy effectiveness and cost functions. We further extend the model to incorporate affirmative action in Tullock contests. We show that affirmative action enhances participation by high cost (socially discriminated) agents while promoting equality. It does not reduce aggregate payoff but does reduce aggregate effort in society.