Nash equilibria in unconstrained stochastic games of resource extraction

A class of nonzero-sum symmetric stochastic games of capital accumulation/resource extraction is considered. It is shown that Nash equilibria in the games with some natural constraints are also equilibrium solutions in unconstrained games and dominate in the Pareto sense an equilibrium leading to exhausting the entire resource stock in the first period of the game. One example is given to illustrate this situation.

References

[1] Balbus, L. and Nowak, A.S. Nash equilibria in unconstrained stochastic games of resource extraction