## SEMINAR

# "Affective interdipendence and welfare"

## *Prof. Aviad Heifetz*
## *The Open University of Israel*

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### *Room A6, C.da Santa Chiara*

Purely affective interaction allows the welfare of an individual to depend on her own actions and on the profile of welfare levels of others. Under an assumption on the structure of mutual affection that we interpret as "nonexplosive mutual affection", we show that equilibria of simultaneous-move affective interaction are Pareto optimal independently of whether or not an induced standard game exists.
Moreover, if purely affective interaction induces a standard game, then an equilibrium profile of actions is a Nash equilibrium of the game, and this Nash equilibrium and Pareto optimal profile of strategies is locally dominant.