

# A non-cooperative foundation for the continuous Raiffa solution

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## **Abstract**

This paper provides a non-cooperative foundation for asymmetric generalizations of the continuous Raiffa solution. Specifically, we consider a continuous-time variation of the classic Stahl-Rubinstein bargaining model, in which each player's opportunity to make proposals is produced by an independent Poisson process, and a finite deadline ends the negotiations. Under the assumption that future payoffs are not discounted, it is shown that the payoffs realized in the unique subgame perfect equilibrium of this game approach the continuous Raiffa solution as the time horizon tends to infinity. The weights reflecting the asymmetries among the players, correspond with the Poisson arrival rates of their respective proposal processes.