

# Strategic characterization of the index of an equilibrium

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The index of a Nash equilibrium is an integer that is related to notions of “stability” of the equilibrium, for example under dynamics that have equilibria as rest points. The index is a relatively complicated topological notion, essentially a geometric orientation of the equilibrium. We prove the following theorem, first conjectured by Hofbauer (2003), which characterizes the index in much simpler strategic terms:

**Theorem.** A generic bimatrix game has index  $+1$  if and only if it can be made the unique equilibrium of an extended game with additional strategies of one player. In an  $m \times n$  game, it suffices to add  $3m$  strategies of the column player.

The main tool to prove this theorem is a novel geometric-combinatorial method that we call the “dual construction”, which we think is of interest of its own. It allows to visualize all equilibria of an  $m \times n$  game in a diagram of dimension  $m-1$ . For example, all equilibria of a  $3 \times n$  game are visualized with a diagram (essentially, of suitably connected  $n+3$  points) in the plane. This should provide new insights into the geometry of Nash equilibria.