

*MBS 93-33*

Lower Hemicontinuity of the Nash Equilibrium Correspondence

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We study the continuity of the Nash equilibrium correspondence in games of incomplete information. We show that small changes in beliefs lead neither to drastic changes in behavior nor to strong incentives to alter behavior. We represent players' beliefs by probability measures and assume beliefs converge setwise. These results are not true under the more usual notion of weak convergence.