

Review of: "The Uncertainty of Fairness: a Game Theory Analysis for a Debt Mutualization Scheme in the Euro Area"

Sapana P. Dubey¹

¹ Priyadarshini Engineering College

Potential competing interests: No potential competing interests to declare.

Review Report

The Authors, Sara D'Andrea and Federica Vassalli presented their manuscript "The Uncertainty of Fairness: a Game Theory Analysis for a Debt Mutualization Scheme in the Euro Area". The authors have studied vast literature from 1952 to 2020 to get various approaches to the theory.

The paper is well written and express debt mutualization and risk sharing in Euro Area based on game theory.

In detail, three games are presented in the paper to show the advantages of debt mutualization for core countries and peripheral countries. These game are payoff-driven (Ultimatum game), incentive driven and gift-exchanging game.

I thought the section 3 of the paper is very interesting as it provide detail applied part of Game theory for debt mutualization scheme. In first type of game Utilities of the players are defined using two terms representing advantageous and disadvantageous factors. Repay fraction is well analyzed in this first game. Similarly, other two approaches are also well expressed the situation of this game.

Critical comments:

- The Authors do not provide comparative analysis of three approaches discussed in the paper.

My recommendation is to accept the paper after adding comparative analysis.

Rating of Reviewed Manuscript: **** (good)