A dynamic game on Green Supply Chain Management

Massimiliano Ferrara a,b,c* Bruno A. Pansera a^{\dagger} Mehdi Salimi c,d^{\ddagger} Mehrnoosh Khademi e^{\S}

^aDepartment of Law and Economics - University Mediterranea of Reggio Calabria, Italy
^bCRIOS - Department of Management and Technology - Bocconi University, Italy
^cMedalics- University for Foreigner "Dante Alighieri", Reggio Calabria, Italy
^dCenter for Dynamics, Department of Mathematics, Technische Universität Dresden, Germany
^eDepartment of Industrial Engineering, Mazandaran University of Science and Technology, Babol, Iran

Abstract

We establish a dynamic game to allocate CSR to the members of a supply chain. We propose a model of three-tier supply chain in decentralized state that is including supplier, manufacturer and retailer. For analyzing supply chain performance in decentralized state and the relationships between the members of supply chain, we use Stackelberg game and a hierarchical equilibrium solution for a two-level game. Specially, we formulate a model that crosses through multi-periods by a dynamic discreet Stackelberg game. We obtain an equilibrium point at where both the profits of members and the level of CSR taken by supply chains are maximized.

Keywords: Supply chain, CSR, Stackelberg game.

References

- [1] Hennet, J.C., Arda, Y., Supply chain coordination: A game-theory approach, Engineering Applications of Artificial Intelligence, 21, 399-405, (2008).
- [2] Kytle, B., Ruggie, J.G., Corporate social responsibility as risk management: a model for multinationals, Corporate Social Responsibility Initiative Working Paper No. 10. Cambridge, MA: John F. Kennedy School of Government, Harvard University, (2005).
- [3] Tian, Y., Govindan, K., Zhu, Q., A system dynamics model based on evolutionary game theory for green supply chain management diffusion among Chinese manufacturers, Journal of Cleaner Production, 80, 96-105, (2014).

^{*}massimiliano.ferrara@unirc.it

[†]Presenter: bruno.pansera@unirc.it

[‡]mehdi.salimi@tu-dresden.de

[§]mehrnushkhademi@yahoo.com