Strategic Foundations of General Equilibrium
Dynamic Matching and Bargaining Games

The theory of competition has held a central place in economic analysis since Adam Smith. This book, written by one of the most distinguished of contemporary economic theorists, reports on a major research program to provide strategic foundations for the theory of perfect competition.

Beginning with a concise survey of how the theory of competition has evolved, Gale makes extensive and rigorous use of dynamic matching and bargaining models to provide a more complete description of how a competitive equilibrium is achieved. Whereas economists have made use of a macroscopic description of markets in which certain behavioral characteristics, such as price-taking behavior, are taken for granted, Gale uses game theory to re-evaluate this assumption, beginning with individual agents and modeling their strategic interaction. A strategic foundation for competitive equilibrium shows how such interaction leads to competitive, price-taking behavior.

Douglas Gale is Professor of Economics in New York University. A Fellow of the Econometric Society, he has served as assistant editor of Review of Economic Studies and co-editor of Econometrica. He is currently associate editor of Journal of Economic Theory, Research in Economics and Economic Theory and advisory editor of Macroeconomic Dynamics. His research papers have been published in leading journals.
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Dynamic Matching and Bargaining Games

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To my teacher
Frank H. Hahn
CONTENTS

Acknowledgments  xi

1 Markets and games  1
  1.1 Strategic foundations of perfect competition  1
  1.2 Why strategic foundations?  2
  1.3 Cooperative market games  6
  1.4 Non-cooperative market games  10
  1.5 Dynamic matching and bargaining models  13
  1.6 Open questions  25

2 Perfect competition  41
  2.1 Introduction  41
  2.2 Pure exchange economics  43
  2.3 Dynamic matching and bargaining games  49
  2.4 Equilibrium  55
  2.5 The Edgeworth Property  59
  2.6 Efficiency  61
  2.7 Competitive sequences of economies  65
  2.8 Existence  76
  2.9 Efficiency with discounting  85
  2.10 Random matching  92
  2.11 Mixed equilibria  104
  2.12 A summing up  108

3 Continuity and anonymity  110
  3.1 Rubinstein and Wolinsky [1990]  110
  3.2 Bounded rationality and uniqueness  119
  3.3 The Limit Principle  127
  3.4 Repeated games  132
  3.5 Limited memory  134
  3.6 Large anonymous games  138
Contents

3.7 Non-anonymous games 144

4 Bounded rationality 157
4.1 Imitation and experimentation 158
4.2 A behavioral model of competition 166
4.3 Convergence to competitive prices 179
4.4 Extensions 192

5 Afterthoughts 204

References 208
Index 214
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