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Many-to-one matching markets with externalities among firms. (English) Zbl 1236.91096
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Summary: We study a labor market described by a many-to-one matching market with externalities among firms in which each firm's preferences depend not only on workers whom it hires, but also on workers whom its rival firms hire. We define a new stability concept called weak stability and investigate its existence problem. We show that when the preferences of firms satisfy an extension of substitutability and two new conditions called increasing choice and no external effect by an unchosen worker, then a weakly stable matching exists. We also show that a weakly stable matching may fail to exist without these restrictions.

MSC:

91B40 Labor market, contracts (MSC2010)

91B68 Matching models

Cited in **1** Review
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Keywords:

many-to-one matching market; externalities; stability

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