Busetto, Francesca; Codognato, Giulio; Ghosal, Sayantan; Julien, Ludovic; Tonin, Simone
Noncooperative oligopoly in markets with a continuum of traders and a strongly connected set of commodities.  
(English)  

Summary: We show the existence of a Cournot-Nash equilibrium for a mixed version of the Shapley window model, where large traders are represented as atoms and small traders are represented by an atomless part. Previous existence theorems for the Shapley window model, provided by S. Sahi and S. Yao [J. Math. Econ. 18, No. 4, 325–346 (1989; Zbl 0687.90011)] in the case of economies with a finite number of traders and by the authors [Games Econ. Behav. 72, No. 1, 38–45 (2011; Zbl 1236.91100)] in the case of mixed exchange economies, are essentially based on the assumption that there are at least two atoms with strictly positive endowments and indifference curves contained in the strict interior of the commodity space. Our result does not require this restriction. It relies on the characteristics of the atomless part of the economy and exploits the fact that traders belonging to the atomless part have an endogenous “Walrasian” behavior.

MSC:
91B50  General equilibrium theory  
91B60  Trade models

Keywords:
Shapley window model; atoms; atomless part; Cournot-Nash equilibrium

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References:

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