

Matching Models with a Conservation Law: The Existence and Global Structure of the Set of Stationary Equilibria

Kazuya Kamiya*and Dolf Talman †

Corresponding author:

Kazuya Kamiya

Address: Faculty of Economics, University of Tokyo, 7-3-1 Hongo, Bunkyo-ku,
Tokyo 113-0033, Japan

E-mail: kkamiya@e.u-tokyo.ac.jp

Phone: +81-3-5841-5501

Fax: +81-3-5841-5521

*Faculty of Economics, University of Tokyo, 7-3-1 Hongo, Bunkyo-ku, Tokyo 113-0033, Japan (E-mail: kkamiya@e.u-tokyo.ac.jp)

†Department of Econometrics & Operations Research and CentER, Tilburg University, P.O. Box 90153, 5000 LE Tilburg, The Netherlands (E-mail: talman@uvt.nl)

Abstract

Matching models with different states belong to one of the most important classes of dynamic games. Among the considerable number of models, money search models, job search models, and marriage problems in matching framework are special cases of them. In this paper, we investigate the basic structure of the matching models: the existence of equilibria and the global structure of the set of equilibria. Specifically, we focus on models with a conservation law, which typically holds in economies having some assets, such as money.

Keywords: Matching Model, Money, Stationary Markov perfect Equilibria, Non-linear Complementarity Problem.

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