

Accepted Manuscript

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Bettina Klaus, Flip Klijn

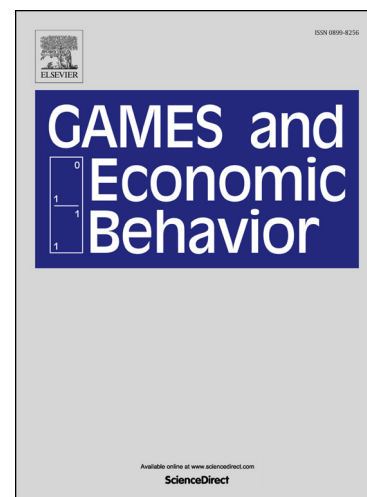
PII: S0899-8256(17)30065-9
DOI: <http://dx.doi.org/10.1016/j.geb.2017.04.001>
Reference: YGAME 2671

To appear in: *Games and Economic Behavior*

Received date: 12 July 2016

Please cite this article in press as: Klaus, B., Klijn, F. Non-revelation mechanisms for many-to-many matching: Equilibria versus stability. *Games Econ. Behav.* (2017), <http://dx.doi.org/10.1016/j.geb.2017.04.001>

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Non-Revelation Mechanisms for Many-to-Many Matching: Equilibria versus Stability*

Bettina Klaus[†] Flip Klijn[‡]

April 19, 2017

Abstract

We study many-to-many matching markets in which agents from a set A are matched to agents from a disjoint set B through a two-stage non-revelation mechanism. In the first stage, A -agents, who are endowed with a quota that describes the maximal number of agents they can be matched to, simultaneously make proposals to the B -agents. In the second stage, B -agents sequentially, and respecting the quota, choose and match to available A -proposers.

We study the subgame perfect Nash equilibria of the induced game. We prove that stable matchings are equilibrium outcomes if all A -agents' preferences are substitutable. We also show that the implementation of the set of stable matchings is closely related to the quotas of the A -agents. In particular, implementation holds when A -agents' preferences are substitutable and their quotas are non-binding.

Keywords: implementation; matching, mechanisms, stability, substitutability

JEL-Numbers: C78, D78.

1 Introduction

We study many-to-many matching markets in which agents from a set A are matched to agents from a disjoint set B through a two-stage non-revelation mechanism. In the first stage, A -agents, who are endowed with a quota that describes the maximal number

*We thank Battal Doğan, Jan Christoph Schlegel, Benjamín Tello, Matteo Triossi, and two referees for their valuable comments.

[†]*Corresponding author.* Faculty of Business and Economics, University of Lausanne, Internef 538, CH-1015 Lausanne, Switzerland; e-mail: bettina.klaus@unil.ch. B. Klaus gratefully acknowledges financial support from the Swiss National Science Foundation (SNSF).

[‡]Institute for Economic Analysis (CSIC) and Barcelona GSE, Campus UAB, 08193 Bellaterra (Barcelona), Spain; e-mail: flip.klijn@iae.csic.es. F. Klijn gratefully acknowledges financial support from the Generalitat de Catalunya (2014-SGR-1064), the Spanish Ministry of Economy and Competitiveness through Plan Estatal de Investigación Científica y Técnica 2013-2016 (ECO2014-59302-P), and the Severo Ochoa Programme for Centres of Excellence in R&D (SEV-2015-0563).

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