Existence of Exact Walrasian Equilibria in Nonconvex Economies: an amendment

Antonio D'Agata University of Catania

In Theorem in D'Agata (2012), the sentence "Then, for every $\varepsilon > 0$ there exists a set $\mathfrak{X}_n(p_n^*) \subset \mathscr{E}_n$ such that..." should be replaced by the sentence "Then, for every $\varepsilon > 0$ there exists a set $\mathfrak{X}_n(p_n^*) \subset \mathscr{E}_n^c$ (with \mathscr{E}_n^c denoting the set of economies with strictly positive initial endowments and continuous utility functions) such that ...".

Set $\mathfrak{X}_n(p_n^*)$ is a subset of \mathcal{E}_n^c , not of \mathcal{E}_n , because economies obtained from the initial economy $\mathcal{E}_n((u_h), (\omega_h))_{h \in N}$ by "deforming" preferences by means of transformations t_h s may fail to satisfy the condition of strict monotonicity or even monotonicity, as shown below by Figure A (for details on the construction of Figure A, see D'Agata (2012, p. 9)).



Figure A. Non-monotonic preferences from strictly monotonic ones.

References

Antonio D'Agata (2012). Existence of Exact Walrasian Equilibria in Nonconvex Economies. *Economics: The Open-Access, Open-Assessment E-Journal*, Vol. 6, 2012-12.http://dx.doi.org/10.5018/economics-ejournal.ja.2012-12