Corrigendum

Corrigendum to 'Disaggregation of excess demand functions in incomplete markets' [Journal of Mathematical Economics 31(1999) 111–129] [1]

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V. Zakalioukin [2] has pointed out to us a mistake in the above paper [1]. The main result, Theorem 1, holds only with the added assumption that $T \leq L$, that is, the number of parameters describing the subspace of admissible transactions should not exceed the number of goods in the economy. This condition is met in the economic examples described in section 1.2 of the paper.

The mistake lies in the ønal computation, equations (102) to (105). The correct numbers are:

$$c_m = mN \; \forall 1 \leq m \leq L - 1 \tag{1}$$

$$c_m = NL - K \; \forall m \geq L \tag{2}$$

Therefore, the number given in (105) is wrong, and equality with (95) no longer holds, so that Theorem 2 is wrong. However, if we take $T \leq L$, instead of taking $T = K(L - K)$ as in the paper, equality obtains and the proof holds without further change.

The authors regret the oversight, and are grateful to V. Zakalioukin to pointing it out. A corrected version of the paper is available upon request.

References

[1] P.A. Chiappori, I. Ekeland, Disaggregation of excess demand functions in incomplete markets, J. Mathematical Economics 31 (1) (1998) 111–130.
[2] V. Zakalioukin, personal communication, March 1999.