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**THE EX ANTE INCENTIVE COMPATIBLE CORE
IN THE ABSENCE OF WEALTH EFFECTS***

FRANÇOISE FORGES[†], JEAN-FRANÇOIS MERTENS[‡], AND RAJIV VOHRA[§]

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Abstract

In a differential information economy with quasi-linear utilities, monetary transfers facilitate the fulfillment of incentive compatibility constraints: the associated ex ante core is generically non-empty. However, we exhibit a well-behaved exchange economy in which this core is empty, even if goods are allocated through random mechanisms.

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URL: <ftp://jfm.core.ucl.ac.be/pub/papers/ICCore.ps.gz>

<http://econ.pstc.brown.edu/~rvohra/papers/wp2001-01.pdf>.

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[†]THEMA, Université de Cergy-Pontoise, et Institut Universitaire de France.

E-mail: forges@u-cergy.fr.

[‡]CORE, Université Catholique de Louvain;

34, Voie du Roman-Pays; B-1348 Louvain-la-Neuve; Belgique.

E-mail: jfm@core.ucl.ac.be.

[§]Brown University, Providence, R.I. 02912, U.S.A.

E-mail: Rajiv_Vohra@brown.edu.