

# A fixed point algorithm for many-to-one matching markets with externalities among firms

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## Abstract

We consider a many-to-one matching market with externalities among firms where each firm's preferences satisfy substitutability, increasing choice and no external effect by unchosen workers. We provide an extension of the fixed point algorithm by Adachi (2000) and Echenique and Oviedo (2004), and show the existence of worker-optimal (worst) quasi stable matching.

**Keywords:** many-to-one matching market; externalities; stability; fixed point algorithm

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