

# Core Theoretic Characterization for the Social Contrivance of Money

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## Abstract

Overlapping generations model with the double infinity of commodities and agents is the most fundamental framework to introduce outside money in a static economic model. In this model, competitive equilibria may not necessarily be Pareto-optimal. Although Samuelson (1958) emphasized the role of fiat money as a certain kind of social contract, we cannot characterize it as a cooperative game-theoretic solution like core. We could merely show that monetary equilibrium is a weakly pareto optimal as in Balasko and Shell (1981). In this paper, we have obtained a finite core replica characterization of monetary equilibria.

KEYWORDS : Social Contrivance, Monetary Equilibrium, Overlapping Generations Model, Core Equivalence, Replica Economy

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