

Local Independence Condition and Informational Efficiency Characterization of Price-Wealth Messages in Overlapping Generations Economies

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November 23, 2014

Abstract

We show that the monetary Walrasian equilibrium allocation for the economy with double infinities of agents and commodities (including the overlapping generations ones) is characterized through the *weak pareto optimality*, *individual rationality*, and the *local independence* of the social choice correspondence. Moreover, we can also prove the *informational efficiency property* for money-price messages under these three conditions by using a category theoretic method like Sonnenschein (1974).

KEYWORDS : Social Choice, Monetary Walrasian Equilibrium, Overlapping Generations Economy, Local Independence, Informational Efficiency, Universal Mapping Property

JEL Classification: C60, D50, D51, D71

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