

# Strategic Incompetence in Matching Market with Contracts\*

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## Abstract

We consider a two-sided many-to-one matching model with contracts. An agent in a side is called a doctor and that in the other side is called a hospital. This paper mainly focuses on a kind of strategic behavior of doctors called strategic-incompetence in order to sign a more preferable contract with a hospital. Strategic-incompetence of a group of doctors makes some of them less attractive for some hospitals. The doctor-optimal stable matching mechanism is considered in this study. We derive the necessary and sufficiently condition that any group of doctors has no incentive to adopt strategic-incompetence in the mechanism. Further, we also discuss the strategic-misrepresentation of doctors. Finally, we consider the situation where a group of doctors can both misrepresent their preferences and decrease their attractiveness.

JEL classification: C78; D44

Keywords: Matching; Matching with contracts; Substitutes; Strategic-incompetence; Strategic-misrepresentation; Strategy-proofness

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