Robust Matching for Teams

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Motivation

Commodity market

- Price that equate demand to supply
- Choose what you want if you can afford
- E.g. Grocery shopping

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David Gale

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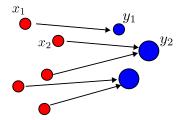


Alvin Roth

Lloyd Sharpley

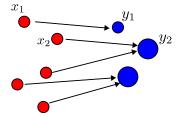
- Classical matching problem
 - 2 Hedonic model
 - 3 Matching for teams problem
- 4 Robust matching for teams problem
- Concluding remarks

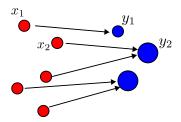
• Let $X = \{x_1, \ldots, x_k\}$ be the set of types of consumers and $Y = \{y_1, \ldots, y_m\}$ be the set of types of producers, where $|x_i| = a_i$ and $|y_j| = b_j$.



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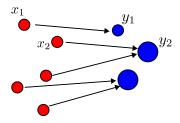




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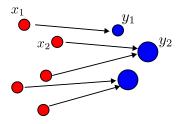
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• If consumer of type x_i trade with producer of type y_j , they receive a joint satisfaction $s(x_i, y_j)$.

• Portion of the satisfaction to the consumer of type x_i will be $\phi(x_i)$.

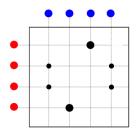


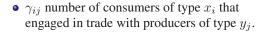
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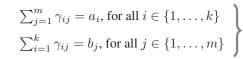
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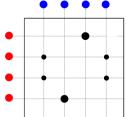
- Portion of the satisfaction to the consumer of type x_i will be $\phi(x_i)$.
- portion of the satisfaction to the producer of type y_j will be $\psi(y_j)$.

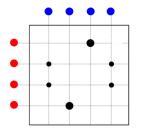
 γ_{ij} number of consumers of type x_i that engaged in trade with producers of type y_j.









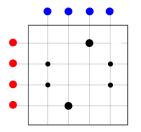


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$$\sum_{j=1}^{m} \gamma_{ij} = a_i, \text{ for all } i \in \{1, \dots, k\}$$

$$\sum_{i=1}^{k} \gamma_{ij} = b_j, \text{ for all } j \in \{1, \dots, m\}$$

$$\Pi(a,b) := \{ \gamma \in \mathbb{R}^{k \times m}_+ : \gamma \mathbb{1}_m = a \text{ and } \gamma^T \mathbb{1}_k = b \}$$



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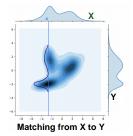
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Definition (Stable matching (Discrete case))

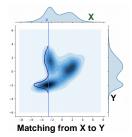
A matching $\gamma \in \Pi(a, b)$ is stable if there exist functions $\phi(\cdot)$ and $\psi(\cdot)$ satisfies $\phi(x_i) + \psi(y_j) = s(x_i, y_j)$, whenever $\gamma_{ij} \neq 0$. We call $(\phi(\cdot), \psi(\cdot), \gamma)$ matching equilibrium.

The continuum case



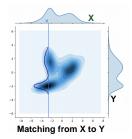
X, Y ⊂ ℝ^d be the set of continuum of consumers and producers, respectively, distributed according to the given measures μ ∈ P(X) and ν ∈ P(Y).

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- $\Pi(\mu,\nu) := \{\gamma \in \mathcal{P}(X \times Y) : \gamma \circ \pi_X^{-1} = \mu \text{ and } \gamma \circ \pi_Y^{-1} = \nu\}, \text{ where } \pi_X(x,y) = x \text{ and } \pi_Y(x,y) = y \text{ for all } (x,y) \in X \times Y.$

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- Given s(·, ·) and the measures μ and ν, our aim is to find (φ(·), ψ(·), γ) such that γ ∈ Π(μ, ν) and

$$\phi(x) + \psi(y) = s(x, y), \text{ for all } (x, y) - \gamma \text{ a.e.}$$

Optimization problem for stable matching

Theorem (N. E. Gertsky, J. M. Ostroy, W. R. Zame 1992)

The problem of finding a stable matching can be recasted in linear programming (LP) terms:

• Find $\gamma \in \Pi(\mu, \nu) := \{\gamma \in \mathcal{P}(X \times Y) : \gamma \circ \pi_X^{-1} = \mu \text{ and } \gamma \circ \pi_Y^{-1} = \nu\}$ so as to achieve

$$P_s(\mu,\nu) := \sup_{\gamma \in \Pi(\mu,\nu)} \int_{X \times Y} s(x,y) d\gamma.$$

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This maximization problem is known in the literature as **Kantorovich optimal transport problem** and it admits a corresponding dual problem

$$D_s(\mu,\nu) := \inf_{(\phi,\psi) \in \Phi_s} \int_X \phi(x) d\mu + \int_Y \psi(y) d\nu,$$

where $\Phi_s := \{(\phi, \psi) : \phi(x) + \psi(y) \ge s(x, y) \text{ for all } (x, y) \in X \times Y\}.$

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Theorem (Fundamental theorem of optimal transport 1)

If $s(\cdot, \cdot)$ is LSC, then $P_s(\mu, \nu) = D_s(\mu, \nu)$ and $P_s(\mu, \nu)$ admits a maximizer.

Theorem (Fundamental theorem of optimal transport 2)

• If $s(\cdot, \cdot)$ is continuous, then existence of minimizers for $D_s(\mu, \nu)$ holds;

$$\max_{\gamma \in \Pi(\mu,\nu)} \int_{X \times Y} s(x,y) d\gamma = \min_{\phi \in s - \operatorname{conc}(X;\mathbb{R})} \int_X \phi(x) d\mu + \int_Y \phi^c(y) d\nu,$$

where
$$\phi^s(y) := \max_{x \in X} s(x, y) - \phi(x)$$
, and $y \in Y$,
 $s - \operatorname{conc}(X; \mathbb{R}) := \{\phi : X \to \mathbb{R} : \exists v : Y \to \mathbb{R} \text{ such that } v^s = \phi$

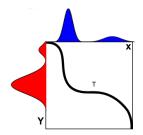
• The optimal matching γ satisfies

$$s(x,y) = \phi(x) + \phi^s(y)$$
 for all $(x,y) - \gamma$ a.e.

• The discrete case corresponds to the discrete versions of the LP problem (Shapley and Shibik (1971)).

More on optimal transport theory

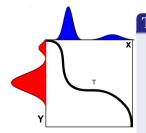
• γ can be deterministic (or pure)



Matching concentrated on a graph of T

More on optimal transport theory

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Theorem

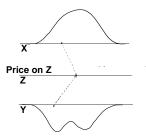
- $\mu \in \mathcal{P}(X)$ is absolutely continuous with respect to Lebesgue.
- $c(\cdot, y)$ is differentiable on int(X), for all $y \in Y$ and satisfies if $(x, y_1, y_2) \in X \times Y^2$ and

$$abla_x c(x, y_1) =
abla_x c(x, y_2)$$
 then $y_1 = y_2$.

Then the optimal matching of the form $\gamma = (\mathrm{Id} \times T)_{\#} \mu.$

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A type of matching model: Hedonic model



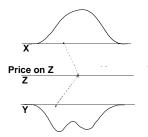
Matching X to Y through Z

Structure:

• X, Y and Z model continuum of consumers, producers and goods, where the consumers and the producers are distributed according to μ and ν , respectively.

Behavior: Given $p(\cdot)$,

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Matching X to Y through Z

Structure:

 X, Y and Z model continuum of consumers, producers and goods, where the consumers and the producers are distributed according to μ and ν, respectively.

Behavior: Given $p(\cdot)$,

• consumer of type $x \in X$ solves

$$U(x) = \max_{z \in Z} (u(x, z) - p(z)),$$

where $u(\cdot, \cdot)$ is her direct utility function.

• producer of type $y \in Y$ solves

$$C(y) = \max_{z \in Z} (p(z) - c(y, z)),$$

where $c(\cdot, \cdot)$ is his cost.

More on hedonic model

Given u(·, ·) and c(·, ·) and μ ∈ P(X) and ν ∈ P(Y), we want to find a pair (p(·), α), where α ∈ P(X × Y × Z) such that

$$\alpha \circ \pi_X^{-1} = \mu$$
 and $\alpha \circ \pi_Y^{-1} = \nu$

and $p(\cdot)$ is the price function such that

 $U(x) = u(x,z) - p(z) \quad \text{and} \quad C(y) = p(z) - c(y,z)$

for all $(x, y, z) - \alpha$ a.e in $X \times Y \times Z$.

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 p(·) matches a consumer of type x to a producer of type y through their most preferred good z ∈ Z.

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- p(·) matches a consumer of type x to a producer of type y through their most preferred good z ∈ Z.
- The pair $(p(\cdot), \alpha)$ is called hedonic equilibrium.

Correspondence between hedonic and matching model

P.-A, Chiappori, R. J. McCann, and L.P. Nesheim (2010): There is a correspondence between the hedonic model and the matching model.

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• Given $\mu \in \mathcal{P}(X)$, and $\nu \in \mathcal{P}(Y)$, if $u(\cdot, \cdot)$, and $c(\cdot, \cdot)$ are continuous, then solve

$$\sup_{\gamma \in \Pi(\mu,\nu)} \int_{X \times Y} s(x,y) d\gamma$$

where $s(x, y) = \max_{z \in Z} u(x, z) - c(y, z)$ to obtain the payoff functions (ϕ, ψ) .

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where $s(x, y) = \max_{z \in Z} u(x, z) - c(y, z)$ to obtain the payoff functions (ϕ, ψ) .

 $\bullet\,$ There exists a price $p(\cdot)$ satisfying

$$\min_{y \in Y} c(x, z) - \psi(y) \ge p(z) \ge \max_{x \in X} u(x, z) - \phi(x).$$

• $(p(\cdot), \alpha)$, where $\alpha := (\mathrm{Id}_X \times \mathrm{Id}_Y \times z)_{\#} \gamma$, is a hedonic equilibrium pair.

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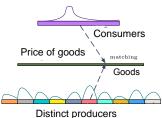
Matching and hedonic equilibriums are optimizers for optimal transport problems

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- (X₀, µ₀) parametrize the continuum of consumers.
- (X_i, μ_i) parametrize the continuum of producers, where i ∈ {1,...,N}.
- Z the set of all different types of a good in the market.

Distinct producers



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- Z the set of all different types of a good in the market.

Behavior of producers:

• Given wages $\psi_i(\cdot)$ producer of type $x_i \in X_i$ solves

$$\min_{z\in Z} c_i(x_i, z) - \psi_i(z),$$

where $c_i(\cdot, \cdot)$ is cost for producer in category $i \in \{1, \dots, N\}.$

• Assume $p(z) = \sum_{i=1}^{N} \psi_i(z)$.

Matching for teams problem

Given $c_i(\cdot, \cdot)$ and $\mu_i \in \mathcal{P}(X_i)$, our aim is to find a family of functions $\psi_i \in C(Z; \mathbb{R})$, probability measures $\gamma_i \in \mathcal{P}(X_i \times Z)$, and $\nu \in \mathcal{P}(Z)$ such that

$$\sum_{i=0}^N \psi_i(z) = 0, \text{ for any } z \in Z,$$

• $\gamma_i \in \Pi(\mu_i, \nu)$ such that

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 $c_i(x_i, z) = \psi_i(z) + \psi_i^{c_i}(x_i), \text{ for all } (x_i, z) - \gamma_i \text{ a.e.},$

where $\psi_i^{c_i}(x_i) := \inf_{z \in Z} c_i(x_i, z) - \psi_i(z)$, for all $x_i \in X_i$.

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where $\psi_i^{c_i}(x_i) := \inf_{z \in Z} c_i(x_i, z) - \psi_i(z)$, for all $x_i \in X_i$.

- $(\psi_i(\cdot), \nu, \gamma_i)$, where $i \in \{0, \dots, N\}$, is called matching equilibrium.
- Matching equilibrium is **deterministic** if $\gamma_i = (\text{Id} \times T_i)_{\#} \mu_i$, where $T_i : X_i \to Z$ is a measurable map.

Optimization problem for matching for teams

Theorem (G. Carlier and I. Ekeland, 2010)

The problem of finding a matching equilibrium can be formulated as • *find* $\nu \in \mathcal{P}(Z)$ *that solves the primal problem*

$$\mathbf{P} := \inf_{\nu \in \mathcal{P}(Z)} \sum_{i=0}^{N} W_{c_i}(\mu_i, \nu),$$

where γ_i solves $W_{c_i}(\mu_i, \nu) := \inf_{\gamma_i \in \Pi(\mu_i, \nu)} \int_{X_i \times Z} c_i(x_i, z) d\gamma_i$.

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• ψ_i 's solves the dual problem

$$\mathbf{P}^* := \sup \left\{ \sum_{i=0}^N \int_{X_i} \psi_i^{c_i}(x_i) d\mu_i : \sum_{i=0}^N \psi_i(z) = 0, \text{ for all } z \in Z \right\}$$

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Theorem (G. Carlier and I. Ekeland, 2010)

• If $c_i(\cdot, \cdot) \in C(X_i \times Z)$, then there exist at least one matching equilibrium.

If $c_i(\cdot, \cdot)$ is LSC, then $P = P^*$ and minimizers for P exists.

Theorem (G. Carlier and I. Ekeland, 2010)

- If $c_i(\cdot, \cdot) \in C(X_i \times Z)$, then there exist at least one matching equilibrium.
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then, matching equilibrium is uniquely deterministic.

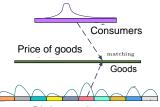
- Classical matching problem
- 2 Hedonic model
- 3 Matching for teams problem
- 4 Robust matching for teams problem
 - 5 Concluding remarks

Matching for teams, without uncertainty, has been investigated extensively. We only provide a few related references here

- G. Carlier and I. Ekeland, 2010, Matching for teams, J. Economic Theory.
- I. Ekeland, 2005, An optimal matching problem, J. ESAIM: Control, Optimisation and Calculus of Variations.
- P. A. Chiappori, 2017, Matching with transfers, J. Princeton University Press.
- **B** . Pass, 2012, Multi-marginal optimal transport and multi-agent matching problems: uniqueness and structure of solutions, arXiv.
- P. A, Chiappori, R. J. McCann, and **B** . Pass, 2016, Multidimensional matching, arXiv.

For the producer part:

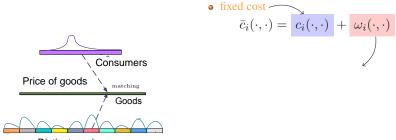
• Uncertainty in cost of production



Distinct producers

For the producer part:

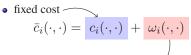
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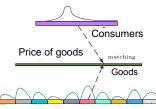
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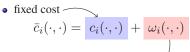
• uncertain variable cost in $\mathcal{W}_i \checkmark$



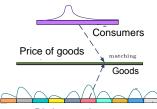
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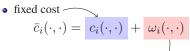
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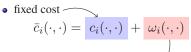
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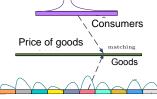
Given $\psi_i(\cdot)$,

$$\inf_{z \in Z} \sup_{\omega_i \in \mathcal{W}_i} c_i(x_i, z) + \omega_i(x_i, z) - \psi_i(z).$$

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• we require

$$\sum_{i=0}^{N} \psi_i(z) = 0.$$

Proposition (D. O. Adu and B. Gharesifard (2022))

• If $\gamma_i \in \Pi(\mu_i, \nu)$ in spite of the uncertainty in variable cost, then $\gamma_i|_{W_i} = 0$, that is for all $\omega_i \in W_i$ we have that $\int_{X_i \times Z} \omega_i(x_i, z) d\gamma_i = 0$.

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• Existence of robust matching $\Rightarrow \nu \in \mathcal{P}(Z)$ and $\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i, \nu)$, for all $i \in \{0, \ldots, N\}$.

Robust matching equilibrium

Given $c_i(\cdot, \cdot)$, \mathcal{W}_i and $\mu_i \in \mathcal{P}(X_i)$, our aim is to find a family of functions $\psi_i \in C(Z; \mathbb{R})$, probability measures $\gamma_i \in \mathcal{P}(X_i \times Z)$ and $\nu \in \mathcal{P}(Z)$ such that

$$\sum_{i=0}^N \psi_i(z) = 0, \text{ for any } z \in Z$$

and $\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i, \nu)$ such that

$$c_i(x_i, z) = \psi_i(z) + \psi^{c_i + \omega_i}(x_i) - \omega_i(x_i, z), \quad \text{for } (x_i, z) - \gamma_i \text{ a.e}$$

where $\psi_i^{(c_i+\omega_i)}(x_i) := \min_{z \in \mathbb{Z}} (c_i(x_i, z) + \omega_i(x_i, z) - \psi_i(z))$, for some $\omega_i \in \mathcal{W}_i$.

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We call (ψ_i(·), γ_i, ν), where i ∈ {0,...,N}, a Robust matching equilibrium (RME).

Beyond classical matching and hedonic model

• D. A. Zaev (2015): Studied Kantorovich problem with additional linear constraint.

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Problem statement:

• Given $c(\cdot, \cdot) \in C(X \times Z; \mathbb{R})$, $\mu \in \mathcal{P}(X)$ and $\nu \in \mathcal{P}(Z)$ and a subspace $\mathcal{W} \subset C(X \times Z; \mathbb{R})$

$$\mathcal{K}_{c,\mathcal{W}}(\mu,\nu) := \inf_{\gamma \in \Pi_{\mathcal{W}}(\mu,\nu)} \int_{X \times Z} c(x,z) d\gamma.$$

• The dual problem is

$$D_{c,\mathcal{W}}(\mu,\nu) := \sup_{\phi+\psi+\omega \le c} \int_X \phi(x) d\mu + \int_Z \psi(z) d\nu.$$

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We have that K_{c,W}(μ, ν) = D_{c,W}(μ, ν) and existence of K_{c,W}(μ, ν) holds if and only if Π_W(μ, ν) ≠ Ø. In general existence of solution for D_{c,W}(μ, ν) may fail.

Martingale optimal transport on a line

Martingale matchings: $\mu \in \mathcal{P}(X)$ and $\nu \in \mathcal{P}(Z)$

$$\mathcal{M}(\mu,\nu) := \{ \gamma \in \Pi(\mu,\nu) : \mathbb{E}_{\gamma}[\pi_Z | \pi_X] = \pi_X \},\$$

where $\pi_X(x, z) = x$ and $\pi_Z(x, z) = z$, for all $(x, z) \in X \times Z$.

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• V. Strassen (1965) : $\mathcal{M}(\mu, \nu) \neq \emptyset \iff \mu \preceq_c \nu$:

 $\int_X f(x)d\mu \leq \int_Z f(z)d\nu, \quad \text{for all convex functions } f(\cdot) \text{ over } \mathbb{R}.$

More on martingale optimal transport

Problem statement:
$$P_c(\mu, \nu) := \inf_{\gamma \in \mathcal{M}(\mu, \nu)} \int_{X \times Z} c(x, z) d\gamma.$$

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 $\mathcal{D}_c := \{(\phi, \psi, h) : \phi(x) + \psi(z) + h(x)(z - x) \le c(x, z), \text{ for all } (x, z) \in X \times Z\}.$

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Theorem (M. Beiglböck and P. Henry-Labordere and F. Penkner (2013))

If $c(\cdot, \cdot)$ LSC and bounded below and $\mu \leq_c \nu$, then $P_c(\mu, \nu)$ admits a minimizer and $P_c(\mu, \nu) = D_c(\mu, \nu)$.

• There exist examples where maximizer for $D_c(\mu, \nu)$ may fail.

Theorem (M. Beiglböck, T. Lim and J. Obloj (2019))

If $\mu \preceq_c \nu$, then existence for $D_c(\mu, \nu)$ holds when $c(\cdot, \cdot)$ is Lipschitz and there exists $u(\cdot)$ Lipschitz function over Z such that $c(x, \cdot) - u(\cdot)$ is convex over Z.

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Martingale transport plans are not deterministic in general. Special case: $\mu = \nu \Rightarrow \gamma = (\text{Id} \times T)_{\#}\mu$, where T(x) = x.

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Theorem (M. Beiglböck and N. Juillet (2016))

- $\mu \in \mathcal{P}(X)$ is absolutely continuous with respect to Lebesgue measure
- c(x, z) = q(x z), where $q(\cdot)$ is differentiable whose derivative is strictly convex. There exists $S \subset X$ such that $\gamma(\operatorname{Graph}(T_1) \cup \operatorname{Graph}(T_2)) = 1$ on S.

• Let $\mu_i \in \mathcal{P}(X_i)$, and $c_i(\cdot, \cdot) \in C(X_i \times Z; \mathbb{R})$, and \mathcal{W}_i be such that

 $\mathcal{M}_{\mathcal{W}}(\mu) := \{ \nu \in \mathcal{P}(Z) : \Pi_{\mathcal{W}_i}(\mu_i, \nu) \neq \emptyset, \text{ for all } i \in \{0, \dots, N\} \},\$

where $\mu := (\mu_0, \dots, \mu_N) \in \mathcal{P}(X_0) \times \dots \times \mathcal{P}(X_N)$ and $\mathcal{W} := \mathcal{W}_0 \times \dots \times \mathcal{W}_N$, is non-empty.

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$$\sup_{\omega_i \in \mathcal{W}_i} \int_{X_i} \psi_i^{(c_i + \omega_i)}(x_i) d\mu_i,$$

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admits a maximizer for $i \in \{0, ..., N\}$. Then there exists an RME.

• Consider the set

$$\mathcal{W}_i := \{ \omega_i \in \mathcal{F}(X_i \times Z; \mathbb{R}) : \omega_i(x_i, z) := h_i(x_i)(z - x_i), \text{ where } h_i \in C(X_i; \mathbb{R}) \}.$$

• Then

 $\mathcal{M}_{\mathcal{W}}(\mu) := \{ \nu \in \mathcal{P}(Z) : \mu_i \preceq_c \nu, \text{ for all } i \in \{0, \dots, N\} \}.$

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, for all $i \in \{0, \dots, N\}$.

The uncertainty in $\omega_i(\cdot, \cdot)$ is only in the term $h_i(\cdot)$.

Uncertainty in ω_i(·, ·) caused by exogenous factors (prices of fuel, oil, natural gas, hydro etc.) independent of z ∈ Z.

• Consider the set

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The uncertainty in $\omega_i(\cdot, \cdot)$ is only in the term $h_i(\cdot)$.

- Uncertainty in ω_i(·, ·) caused by exogenous factors (prices of fuel, oil, natural gas, hydro etc.) independent of z ∈ Z.
- Given $\nu \in \mathcal{P}(Z)$, the robust matching $\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i, \nu)$ is a martingale.

Optimization Problems for RME

Theorem (D. O. Adu and B. Gharesifard (2022))

The problem of finding an RME can be recasted as

• finding

 $\nu \in \mathcal{M}_{\mathcal{W}}(\mu) := \{\nu \in \mathcal{P}(Z) : \Pi_{\mathcal{W}_i}(\mu_i, \nu) \neq \emptyset, \text{ for all } i \in \{0, \dots, N\} \} \text{ that}$

$$P_{\mathcal{W}}(\mu) := \inf_{\rho \in \mathcal{M}_{\mathcal{W}}(\mu)} \sum_{i=0}^{N} K_{c_i, \mathcal{W}_i}(\mu_i, \rho),$$

where
$$\operatorname{K}_{c_i,\mathcal{W}_i}(\mu_i,\rho) := \inf_{\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i,\rho)} \int_{X_i \times Z} c_i(x_i,z) d\gamma_i,$$

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where
$$\mathcal{K}_{c_i,\mathcal{W}_i}(\mu_i,\rho) := \inf_{\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i,\rho)} \int_{X_i \times Z} c_i(x_i,z) d\gamma_i,$$

• and finding $\psi_i(\cdot)$ and $\omega_i(\cdot, \cdot)$, where $i \in \{0, \dots, N\}$ that solves

$$\mathbf{P}_{\mathcal{W}}^{*}(\mu) := \sup_{(\omega_{0},\dots,\omega_{N})\in\mathcal{W}} \sup_{(\varphi_{0},\dots,\varphi_{N})\in\mathcal{T}} \sum_{i=0}^{N} \int_{X_{i}} \varphi_{i}^{(c_{i}+\omega_{i})}(x_{i}) d\mu_{i},$$

where
$$\mathcal{T} = \{(\varphi_0(\cdot), \dots, \varphi_N(\cdot)) \subset C(Z; \mathbb{R}) \mid \sum_{i=1}^{N} \varphi_i(z) = 0, \text{ for all } z \in Z\}.$$

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- *Existence for* $P^*_{\mathcal{W}}(\mu)$ *may fail.*

- If $c_i(\cdot, \cdot)$ is LSC and \mathcal{W} is such that $\mathcal{M}_{\mathcal{W}}(\mu) \neq \emptyset$, then $P_{\mathcal{W}}(\mu) = P_{\mathcal{W}}^*(\mu)$ and the minimizer for $P_{\mathcal{W}}(\mu)$ exists.
- *Existence for* $P^*_{\mathcal{W}}(\mu)$ *may fail.*

Proposition (D. O. Adu and B. Gharesifard (2022))

We have that $(\psi_i(\cdot), \gamma_i, \nu)$ is an RME for $i \in \{0, ..., N\}$, if and only if ν solves $P_{\mathcal{W}}(\mu)$ and $(\psi_0(\cdot), ..., \psi_N(\cdot))$ and $(\omega_0^*(\cdot), ..., \omega_N^*(\cdot))$, with $\omega_i^* \in \mathcal{W}_i$, solves $P_{\mathcal{W}}^*(\mu)$.

Assume $c_i(\cdot, \cdot)$ is Lipschitz on $X_i \times Z$ and there exists a Lipschitz function $u_i(\cdot)$ over Z such that $c_i(x_i, \cdot) - u_i(\cdot)$ is convex over Z. Then there exists an RME $(\psi_i(\cdot), \gamma_i, \nu)$, for all $i \in \{0, \ldots, N\}$.

Idea:

• Solve $P_{\mathcal{W}}(\mu)$ to obtain $\nu \in \mathcal{M}_{\mathcal{W}}(\mu)$ such that $\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i, \nu)$

Assume $c_i(\cdot, \cdot)$ is Lipschitz on $X_i \times Z$ and there exists a Lipschitz function $u_i(\cdot)$ over Z such that $c_i(x_i, \cdot) - u_i(\cdot)$ is convex over Z. Then there exists an RME $(\psi_i(\cdot), \gamma_i, \nu)$, for all $i \in \{0, \ldots, N\}$.

Idea:

- Solve $P_{\mathcal{W}}(\mu)$ to obtain $\nu \in \mathcal{M}_{\mathcal{W}}(\mu)$ such that $\gamma_i \in \Pi_{\mathcal{W}_i}(\mu_i, \nu)$
- For $P^*_{\mathcal{W}}(\mu)$, solve

$$\sup_{(\omega_1,\dots,\omega_N)\in\mathcal{W}}\sup_{(\varphi_1,\dots,\varphi_N)\in\mathcal{T}}\sum_{i=1}^N\int_{X_i}\varphi_i^{(c_i+\omega_i)}(x_i)d\mu_i+\int_Z\varphi_i(z)d\nu$$

to obtain (ψ_1, \ldots, ψ_N) and then set

•
$$\psi_0(z) = -\sum_{i=1}^N \psi_i(z)$$
, for all $z \in Z$.

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Theorem (D. O. Adu and B. Gharesifard (2022))

- $(\psi_i(\cdot), \gamma_i, \nu)$, for $i \in \{0, \dots, N\}$ be an RME.
- $\mu_i \in \mathcal{P}(X_i)$ is absolutely continuous with respect to Lebesgue measure
- $c_i(x_i, z) = q_i(x_i z)$, where $q_i(\cdot)$ is a differentiable whose derivative is strictly convex.
- There exists $S_i \subset X_i$ such that $\gamma_i(\operatorname{Graph}(T_{i1}) \cup \operatorname{Graph}(T_{i2})) = 1$ on S_i .

- Classical matching problem
- 2 Hedonic model
- 3 Matching for teams problem
- 4 Robust matching for teams problem
- Concluding remarks

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Future work:

• Matching problems with capacity constraints.

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Future work:

- Matching problems with capacity constraints.
- Matching problems with coordination among individuals.