Solving the nonlinear complementarity problem with lower and upper bounds
Kremers, J.A.W.M.; Talman, A.J.J.

Publication date:
1988

Link to publication

Citation for published version (APA):

General rights
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Take down policy
If you believe that this document breaches copyright, please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 26. Nov. 2018
SOLVING THE NONLINEAR COMPLEMENTARITY PROBLEM WITH LOWER AND UPPER BOUNDS

Hans Kremers
Dolf Talman

FEW 330

Department of Econometrics
Tilburg University
P.O. Box 90153
5000 LE Tilburg
The Netherlands

July 1988

This research is part of the VF-program "Equilibrium and Disequilibrium in Demand and Supply", which has been approved by the Netherlands Ministry of Education and Sciences.
Abstract: In order to solve the nonlinear complementarity problem with lower and upper bounds, a simplicial variable dimension restart algorithm is introduced. The algorithm subdivides the set on which the problem is defined into simplices and generates from an arbitrarily chosen starting point a piecewise linear path of points leading to an approximate solution. When the accuracy is not sufficient the algorithm can be restarted at the approximate solution with a finer simplicial subdivision. The piecewise linear path generated by the algorithm is followed by a sequence of adjacent simplices of varying dimension. The path can be interpreted as the path of solutions of the nonlinear complementarity problem with parametrized bounds.

1. Introduction.

This paper is concerned with the development of a simplicial algorithm for finding an approximate solution for the nonlinear complementarity problem with lower and upper bounds. The problem is defined as follows.

Given two vectors $a$ and $b$ in $\mathbb{R}^n$ with $a_i < b_i$ for all $i \in \{1, \ldots, n\}$ and a continuous function $f: \mathbb{C}^n \to \mathbb{R}^n$, with $\mathbb{C}^n$ defined as $\mathbb{C}^n = \{x \in \mathbb{R}^n | a \leq x \leq b\}$, find an $x^* \in \mathbb{C}^n$ such that for all $i \in \{1, \ldots, n\}$

\[
\begin{align*}
    f_i(x^*) &< 0 \text{ if } a_i = x^*_i \\
    f_i(x^*) &= 0 \text{ if } a_i < x^*_i < b_i \\
    f_i(x^*) &> 0 \text{ if } x^*_i = b_i.
\end{align*}
\]
This problem is also known as the generalized nonlinear complementarity problem (GNLCP) and it is frequently met in economic problems.

The GNLCP encloses many well-known problems in the field of mathematical programming. Among these problems we mention the nonlinear complementarity problem (NLCP) and the generalized linear complementarity problem (GLCP). The NLCP can be seen as a limit case of (1.1) by taking \( a_i = 0 \) and \( b_i = +\infty \) for all \( i \in \{1, \ldots, n\} \). For an algorithm solving the NLCP we refer to (2). The GLCP can be seen as a special case of (1.1) by assuming \( f \) to be linear. An algorithm solving the GLCP can be found in (3). Our algorithm is a natural alternative to the simplicial algorithm developed by van der Laan and Talman in (4).

The paper is organized as follows. Section 2 introduces the path of points the algorithm follows approximately. The steps of the algorithm are described in section 3. To approximate the path described in section 2 the algorithm makes use of a simplicial subdivision of \( \mathbb{C}^n \). In section 4 we present an appropriate simplicial subdivision of \( \mathbb{C}^n \).

2. The path to be approximated by the algorithm.

Starting in an arbitrarily chosen point \( v \in \mathbb{C}^n \) the algorithm follows approximately a path of points \( x \) in \( \mathbb{C}^n \) such that for some \( \rho \), \( 0 \leq \rho \leq 1 \), \( x \) solves the GNLCP on \( \mathbb{C}^n_{\rho} := (1-\rho)v + \rho \mathbb{C}^n \) with respect to \( f \), i.e., for all \( i \in \{1, \ldots, n\} \)

\[
\begin{align*}
f_i(x) &\leq 0 \text{ if } (1-\rho)v_i + \rho a_i = x_i, \\
f_i(x) &= 0 \text{ if } (1-\rho)v_i + \rho a_i < x_i < (1-\rho)v_i + \rho b_i, \\
f_i(x) &\geq 0 \text{ if } x_i = (1-\rho)v_i + \rho b_i.
\end{align*}
\]

(2.1)

Under some regularity and nondegeneracy conditions the set of points \( x \) being a solution of (2.1) for some \( \rho \), \( 0 \leq \rho \leq 1 \), form piecewise smooth curves. Each of these curves is either a loop or a path with two end points. One of these paths, say \( P \), has \( v \) as an end point for \( \rho = 0 \).
All other end points of paths in $C^n$ are solutions to (1.1). The algorithm follows approximately the path $P$ from $v$ to its other end point.

By increasing $p$ from 0 the path $P$ leaves $v$ in the direction pointing towards the corner point $z$ of $C^n$ where $z_i = b_i$ if $f_i(v) > 0$ and $z_i = a_i$ if $f_i(v) < 0$ for all $i \in \{1, \ldots, n\}$. Without loss of generality we assume that no component of $f(v)$ equals zero. If along the path $P$ at a point $x = (1-p)v + pz$, with $p$ between 0 and 1 and $z$ a point in the boundary of $C^n$, $f_j(x)$ becomes zero for some $j \in \{1, \ldots, n\}$ while $z_j = a_j$ (or $b_j$), then either $x$ solves (1.1) or the path continues by increasing $x_j$ from $(1-p)v_j + pa_j$ (decreasing $x_j$ from $(1-p)v_j + pb_j$). If at a point $x$ on $P$, $x_j$ becomes equal to $(1-p)v_j + pa_j$ (or $(1-p)v_j + pb_j$) for some $j \in \{i \mid f_i(x) = 0\}$, then the path $P$ continues by decreasing (increasing) $f_j(x)$ from zero. Finally, if at a point $x$ on $P$, $p$ becomes equal to 1, then, because $C_i = C^n$ and hence the conditions in (2.1) reduce to (1.1), the point $x$ is a solution to the GNLCP in (1.1) and thereby an end point of the path $P$ in $C^n$. In this way the path $P$ leads from $v$ to a solution of (1.1).

3. The algorithm.

The algorithm approximately follows the path $P$ described in section 2 by generating a piecewise linear (p.l.) path $\tilde{P}$ connecting $v$ with an approximate solution $\tilde{x}$ of (1.1). For a description of this p.l. path we approximate the function $f$ by a p.l. approximation $F$.

To define a p.l. approximation $F$ of $f$ we need to subdivide $C^n$ into simplices. So, let $G^n$ be a triangulation or simplicial subdivision of $C^n$. For an appropriate simplicial subdivision of $C^n$ we refer the interested reader to section 4.

Definition 3.1: The p.l. approximation $F$ of $f$ with respect to the simplicial subdivision $G^n$ of $C^n$ at a point $x \in C^n$ is given by

$$F(x) = \sum_{i=1}^{n+1} \lambda_i f(y^i)$$

(3.1)
where the convex hull \( \sigma(y^1, \ldots, y^{n+1}) \) of \( y^1, \ldots, y^{n+1} \) in \( \mathbb{C}^n \) is an \( n \)-dimensional or \( n \)-simplex in \( \mathbb{C}^n \) containing \( x \) and where \( \lambda_1, \ldots, \lambda_{n+1} \geq 0 \) are such that \( x = \sum_{i=1}^{n+1} \lambda_i y^i \) and \( \sum_{i=1}^{n+1} \lambda_i = 1 \).

The results obtained in section 2 with respect to \( f \) can also be applied to the p.l. approximation \( F \) of \( f \). In particular, there exists a p.l. path \( \tilde{P} \) of points in \( \mathbb{C}^n \) connecting \( v \) and a solution to (1.1) with respect to \( F \). For each point \( x \) on the path \( \tilde{P} \) there exists a \( \rho \) between 0 and 1 such that for all \( i \in \{1, \ldots, n\} \)

\[
F_i(x) \leq 0 \text{ if } (1-\rho)v_i + \rho a_i = x_i
\]

\[
F_i(x) = 0 \text{ if } (1-\rho)v_i + \rho a_i < x_i < (1-\rho)v_i + \rho b_i
\]

\[
F_i(x) \geq 0 \text{ if } x_i = (1-\rho)v_i + \rho b_i.
\]

Notice that in (3.2) the sign pattern of \( F(x) \) plays a very important role. Therefore we introduce the notion of a sign vector.

**Definition 3.2:** A vector \( s \in \mathbb{R}^n \) is a sign vector if, for all \( i \), \( s_i \in \{-1, 0, +1\} \).

Now, let for each sign vector \( s \) the set \( C_n(s) \) be defined by

\[
C_n(s) = \{x \in \mathbb{C}^n \mid \text{for all } i, x_i = a_i \text{ if } s_i = -1 \text{ and } x_i = b_i \text{ if } s_i = +1\}. \tag{3.3}
\]

If \( v \in C_n(s) \) we define \( A(s) = \emptyset \), otherwise \( A(s) \) is the convex hull of \( v \) and \( C_n(s) \), i.e.,

\[
A(s) = \{x \in \mathbb{C}^n \mid \text{for some } \rho, 0 \leq \rho \leq 1, \text{ and for all } i \}
\[
(1-\rho)v_i + \rho a_i = x_i \text{ if } s_i = -1
\]

\[
(1-\rho)v_i + \rho a_i \leq x_i \leq (1-\rho)v_i + \rho b_i \text{ if } s_i = 0
\]

\[
x_i = (1-\rho)v_i + \rho b_i \text{ if } s_i = +1\}. \tag{3.4}
\]

Clearly, \( x \in \tilde{P} \) satisfies \( x \in A(s) \) with \( s \) the sign vector such that \( s = \text{sgn}(F(x)) \).
The simplicial subdivision $G^n$ of $C^n$ has to be such that it triangulates each nonempty subset $A(s)$ into $t$-simplices where $t$, the dimension of $A(s)$, is equal to $|I^0(s)| + 1$ with $I^0(s) := \{ i \in \{1, \ldots, n\} : s_i = 0 \}$ (see section 4 for an appropriate simplicial subdivision). So, if $x \in A(s)$, then there are a $t$-simplex $\sigma(y^1, \ldots, y^{t+1})$ in $A(s)$ and numbers $\lambda^1, \ldots, \lambda_{t+1} \geq 0$ such that $x = \sum_{i=1}^{t+1} \lambda_i y^i$ and $\sum_{i=1}^{t+1} \lambda_i = 1$.

On the other hand, if $\text{sgn}(F(x)) = s$, then there exist $\mu^i_h \geq 0$, $h \not\in I^0(s)$, such that $F(x) = \sum_{h \not\in I^0(s)} \mu^i_h s_h e(h)$, where $e(h)$ is the $n$-dimensional unit vector with $e_i(h) = 1$ if $h = i$. Hence, if $x$ lies on the path $\tilde{P}$, then for some sign vector $s$ there is a $t$-simplex $\sigma(y^1, \ldots, y^{t+1})$ in $A(s)$ such that the system of linear equations given by

$$\sum_{i=1}^{t+1} \lambda_i \begin{bmatrix} f(y^i) \\ 1 \end{bmatrix} - \sum_{h \not\in I^0(s)} \mu^i_h s_h \begin{bmatrix} e(h) \\ 0 \end{bmatrix} = \begin{bmatrix} 0 \\ 1 \end{bmatrix} \tag{3.5}$$

has a nonnegative solution $\lambda^*_i \geq 0$, $i = 1, \ldots, t+1$, $\mu^*_h \geq 0$, $h \not\in I^0(s)$, with $x = \sum_{i=1}^{t+1} \lambda^*_i y^i$. The vector $0$ in (3.5) denotes the $n$-vector of zeros.

System (3.5) is a system of $n+1$ equations with $n+2$ unknowns leaving us with one degree of freedom. So, assuming nondegeneracy, a line segment of solutions to (3.5) exists which can be followed by making a linear programming pivot step in (3.5). This line segment corresponds to the linear piece of $\tilde{P}$ in $\sigma$ defined by the points $x = \sum_{i=1}^{t+1} \lambda_i y^i$.

In an end point of a line segment of solutions to (3.5) either $\lambda_p = 0$ for some $p \in \{1, \ldots, t+1\}$ or $\mu_j = 0$ for some $j \not\in I^0(s)$. If at an end point, $\lambda_p = 0$ for some $p \in \{1, \ldots, t+1\}$, then the point $\tilde{x} = \sum_{i \neq p} \lambda_i y^i$ lies in the facet $\tau$ of $\sigma$ opposite the vertex $y^p$. The facet $\tau$ is either also a facet of exactly one other $t$-simplex, say $\tilde{\sigma}$, in $A(s)$ or $\tau$ lies in the boundary of $A(s)$.

Suppose $\tilde{\sigma}$ exists. Then, in order to continue the path $\tilde{P}$ in $A(s)$, a pivot step is made in (3.5) with the column $[f(\tilde{y})^T, 1]^T$ corresponding to the unique vertex $\tilde{y}$ of $\tilde{\sigma}$ not contained in $\tau$. The algorithm is continued by repeating the procedure described.
Suppose \( \tilde{\sigma} \) does not exist and hence \( \tau \) lies in the boundary of \( A(s) \). If \( \tau \) lies in \( C^\infty(s) \), then the algorithm has found a point \( \tilde{x} \in C^n(s) \) with sign vector \( s \) equal to \( \text{sgn}(F(\tilde{x})) \) so that \( \tilde{x} \) is an approximate solution for (1.1). Otherwise, \( \tau \) is a \((t-1)\)-simplex in \( A(\tilde{s}) \) where \( \tilde{s} \) is a sign vector such that \( \tilde{s}_l \neq 0 \) for some \( l \in I^0(s) \) while \( \tilde{s}_i = s_i \) for all \( i \neq l \). Then the algorithm continues in \( A(\tilde{s}) \) by pivoting the column \( [\tilde{s}_l e(l)^T, 0]^T \) into (3.5).

If at an end point of solutions to (3.5), \( \mu_j \) is zero for some \( j \notin I^0(s) \), then at \( \tilde{x} = \sum_{i=1}^{t+1} \lambda_i y_i \) we have \( F_j(\tilde{x}) = s_j \mu_j = 0 \). Let \( \tilde{s} \) be a sign vector such that \( \tilde{s}_j = 0 \) and \( \tilde{s}_h = s_h \) for \( h \neq j \). Suppose that \( A(\tilde{s}) = \emptyset \). Then \( \tilde{x} \) lies in \( C^n(s) \) whereas \( \text{sgn}(F(\tilde{x})) = \tilde{s} \). Hence, \( \tilde{x} \) is an approximate solution to (1.1). Otherwise, if \( A(\tilde{s}) \neq \emptyset \), then there is exactly one \((t+1)\)-simplex \( \tilde{\sigma} \) in \( A(\tilde{s}) \) having \( \sigma \) as a facet. Now the algorithm continues by pivoting the column \( [f(y)T, 1]^T \) into (3.5), where \( y \) is the vertex of \( \tilde{\sigma} \) not contained in \( \sigma \).

Now we have described how the algorithm proceeds along the path \( \tilde{P} \) in the different subsets \( A(s) \) of \( C^n \), we still have to describe the initialization of the algorithm at \( v \). At \( v \) the system (3.5) becomes

\[
\lambda_1 \begin{bmatrix} f(v) \\ 1 \end{bmatrix} - \sum_{h=1}^{n} s_h \mu_h \begin{bmatrix} e(h) \\ 0 \end{bmatrix} = \begin{bmatrix} 0 \\ 1 \end{bmatrix}
\]

having a unique solution \( \lambda_1 = 1, \mu_h = s_h f_h(v) > 0, h \in \{1, \ldots, n\}, \) where \( s^0 = \text{sgn}(f(v)) \). If \( A(s^0) = \emptyset \), then \( v \in C^n(s^0) \) and the algorithm stops with an exact solution at \( v \). Otherwise, the starting point \( v \) is a facet of a unique 1-simplex \( \sigma(y^1, y^2) \) in \( A(s^0) \) with \( y^1 = v \). The algorithm then pivots the column \( [f(y^2)^T, 1]^T \) into (3.5).

Since all steps are unique, returning to \( v \) is impossible, and the number of simplices is finite, the algorithm terminates within a finite number of steps with an approximate solution \( \tilde{x} \) of (1.1). The accuracy of the approximation \( f(\tilde{x}) \) can be measured by the smallest \( \varepsilon > 0 \) for which for all \( i \in \{1, \ldots, n\} \)

\[
f_i(\tilde{x}) \leq \varepsilon \text{ if } a_i = \tilde{x}_i \]

\[-\varepsilon \leq f_i(\tilde{x}) \leq \varepsilon \text{ if } a_i < \tilde{x}_i < b_i
\]

(3.7)
\[-\varepsilon \leq f_i(\tilde{x}) \quad \text{if} \quad \tilde{x}_i = b_i.\]

If \( f(\tilde{x}) \) is not accurate enough, i.e., if \( \varepsilon \) is too large, the algorithm is repeated being started at \( v = \tilde{x} \) with a finer simplicial subdivision of \( C^n \). This in the hope to find a more accurate approximation within a relative small number of steps. In this way, within a finite number of steps an approximate solution with any accuracy can be found.

4. A simplicial subdivision of \( C^n \).

In order to triangulate \( C^n \) one can use any simplicial subdivision. The only restriction one has to pose on the triangulation of \( C^n \) to underly the algorithm described in section 3 is that it has to triangulate all nonempty subsets \( A(s) \). A triangulation that perfectly fits into this framework is the \( V \)-triangulation of the product space of unit simplices developed in (1). In this section we adapt the \( V \)-triangulation to a triangulation of \( C^n \).

To describe the triangulation we first subdivide each nonempty \( A(s) \) into subsets \( A(s,\mathcal{Y}(T)) \) with \( \mathcal{Y}(T) = (\mathcal{Y}_1, \ldots, \mathcal{Y}_{t-1}) \), \( t = |I^0(s)| + 1 \), a permutation of the \( t-1 \) elements of a set \( T \) such that for all \( j \in I^0(s) \) either \( j \) or \( -j \) belongs to \( T \). If we define the projection \( p(s) \) of \( v \) on \( C^n(s) \) as the vector with elements

\[
p_h(s) = \begin{cases} 
  a_h & \text{if } s_h = -1 \\
  b_h & \text{if } s_h = +1 \\
  v_h & \text{if } s_h = 0
\end{cases} \quad h \in \{1, \ldots, n\}, \tag{4.1}
\]

then \( A(s,\mathcal{Y}(T)) \) is defined as the convex hull of \( v \) and the projections \( p(s^h) \), \( h \in \{1, \ldots, t\} \), where

\[
s^h = s + \sum_{j=h}^{t-1} e(\mathcal{Y}_h), \quad h \in \{1, \ldots, t\}, \tag{4.2}
\]

with for all \( i \), \( e_i(\mathcal{Y}_j) = +1 \) if \( \mathcal{Y}_j = i \), \( e_i(\mathcal{Y}_j) = -1 \) if \( \mathcal{Y}_j = -i \), and \( e_i(\mathcal{Y}_j) = 0 \) otherwise. Notice that \( s^1 = s \) and that \( p(s^1) \) is a vertex of \( C^n \).
For some positive integer \( m \), each nonempty \( A(s, y(T)) \) is now triangulated into \( t \)-simplices \( \sigma(y^1, m) \) with vertices \( y^1, \ldots, y^{t+1} \) in \( C^n \) such that

1. \[ y^1 = v + \sum_{k=1}^{t} a(k) m^{-1} q(k) \] with integers \( a(k) \) satisfying \( 0 \leq a(t) \leq \ldots \leq a(1) \leq m-1; \)
2. \( \pi = (\pi_1, \ldots, \pi_t) \) is a permutation of the elements of \( \{1, \ldots, t\} \) such that for all \( i \in \{1, \ldots, t-1\} \) holds:
   a. \( p > p' \) if \( \pi_p = i, \pi_{p'} = i+1, \) and \( a(\pi_p) = a(\pi_{p'}) \);
3. \( y^{i+1} = y^i + m^{-1} q(\pi_i), i = 1, \ldots, t. \)

where \( q(1) = p(s^1) - v \) and

\[ q(k) = p(s^k) - p(s^{k-1}), \quad k = 2, \ldots, t. \]  

If we denote this triangulation by \( G_m^n(s, y(T)) \), then the set \( A(s) \) is triangulated by the union \( G_m^n(s) \) of \( G_m^n(s, y(T)) \) over all \( y(T) \). Moreover, \( C^n \) is triangulated by the union \( G_m^n \) of \( G_m^n(s) \) over all \( s, m^{-1} \) being the grid size.

In section 3 we described how to follow the path \( \tilde{P} \) through \( C^n \) by making pivot steps in the system of equations (3.5) with respect to a sequence of adjacent simplices \( \sigma \) in \( A(s) \) for varying sign vectors \( s \). After having introduced a specific triangulation of \( C^n \) we will now describe how, given the parameters \( y^1, \pi, \) and \( a(h), \) for \( h = 1, \ldots, t, \) of a \( t \)-simplex \( \sigma \), the parameters of a simplex \( \tilde{\sigma} \) adjacent to \( \sigma \) are obtained.

The movement from a \( t \)-simplex \( \sigma(y^1, \pi) \) in \( A(s, y(T)) \) to an adjacent simplex \( \tilde{\sigma}(\tilde{y}^1, \tilde{\pi}) \) is called a replacement step when \( \tilde{\sigma}(\tilde{y}^1, \tilde{\pi}) \) is also a \( t \)-simplex in \( A(s, y(T)) \). Making a replacement step we replace the vertex \( y^p, p \in \{1, \ldots, t+1\} \), of \( \sigma \) opposite the common facet \( \tau \) of \( \sigma \) and \( \tilde{\sigma} \) by the vertex \( \tilde{y} \) of \( \tilde{\sigma} \) not belonging to \( \tau \). The possibilities are listed in Table 1, where \( a_h = a(h), h = 1, \ldots, t, \) and \( a_h = 0, h = t+1, \ldots, n. \)
Table 1: Replacement step.

<table>
<thead>
<tr>
<th>( p )</th>
<th>( y^1 )</th>
<th>( \pi )</th>
<th>( a )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>( y^1 )</td>
<td>( \pi_2, \ldots, \pi_t )</td>
<td>( a + e(\pi_1) )</td>
</tr>
<tr>
<td>( 1 &lt; p &lt; t + 1 )</td>
<td>( y^1 )</td>
<td>( \pi_1, \ldots, \pi_{p-2}, \pi_p, \pi_{p-1}, \pi_{p+1}, \ldots, \pi_t )</td>
<td>( a )</td>
</tr>
<tr>
<td>( p = t + 1 )</td>
<td>( y^1 )</td>
<td>( \pi_t, \pi_1, \ldots, \pi_{t-1} )</td>
<td>( a - e(\pi_t) )</td>
</tr>
</tbody>
</table>

In case the replacement step with respect to \( y^p \) cannot be performed, the facet \( \tau \) of \( \sigma(y^1, \pi) \) opposite \( y^p \) lies in the boundary of \( A(s, y(T)) \). Lemma 4.1 describes when \( \tau \) lies in the boundary of \( A(s, y(T)) \).

Lemma 4.1: Let \( \sigma(y^1, \pi) \) be a \( t \)-simplex in \( C^n(s, y(T)) \) and \( \tau \) the facet of \( \sigma \) opposite vertex \( y^p \), \( 1 \leq p \leq t + 1 \). Then \( \tau \) lies in the boundary of \( A(s, y(T)) \) if and only if one of the following cases holds:

1) \( p = 1 \), \( \pi_1 = 1 \), and \( a(\pi_1) = m - 1 \);
2) \( 1 < p < t + 1 \), \( \pi_{p-1} = i \) and \( \pi_p = i + 1 \) for some \( i \in \{1, \ldots, t - 1\} \), and \( a(\pi_{p-1}) = a(\pi_p) \);
3) \( p = t + 1 \), \( \pi_t = t \), and \( a(\pi_t) = 0 \).

In case 1 of Lemma 4.1, \( \tau \) lies in \( C^n(s) \). In case 2 and when \( i = 1 \), \( \sigma \) shares \( \tau \) with an adjacent \( t \)-simplex \( \sigma(y^1, \bar{\pi}) \) in \( A(s, y(T)) \) where \( T = T \setminus \{y_1\} \cup \{-y_1\} \), \( y(T) = (-y_1, y_2, \ldots, y_{t-1}) \), and \( \bar{\pi} = (\pi_1, \ldots, \pi_{p-2}, \pi_p, \pi_{p-1}, \pi_{p+1}, \ldots, \pi_t) \). Otherwise in case 2, \( \sigma(y^1, \pi) \) shares \( \tau \) with an adjacent \( t \)-simplex \( \sigma(y^1, \bar{\pi}) \) in \( A(s, y(T)) \) where \( y(T) = (x_1, \ldots, x_{i-1}, x_i, x_{i+1}, \ldots, x_{t-1}) \), \( \bar{\pi} = (\pi_1, \ldots, \pi_{p-2}, \pi_p, \pi_{p-1}, \pi_{p+1}, \ldots, \pi_t) \). Case 3 and when \( I^0(s) \neq \emptyset \) represents the case where the facet \( \tau \) opposite the vertex \( y^{t + 1} \) of \( \sigma \) is the \( (t-1) \)-simplex \( \sigma(y^1, \bar{\pi}) \) in \( A(s, y(T)) \) where \( s = s + e(y_{t-1}) \), \( T = T \setminus \{y_{t-1}\} \), \( y(T) = (y_1, \ldots, y_{t-2}) \), and \( \bar{\pi} = (\pi_1, \ldots, \pi_{t-1}) \). Otherwise in case 3, we have that \( t = 1 \) and \( a(1) = 0 \) which means that \( \tau = \{v\} \).
Finally, a $t$-simplex $\sigma(y^1, \pi)$ in $A(s, \gamma(T))$ is a facet of exactly one $(t+1)$-simplex $\tilde{\sigma}$ in a nonempty $A(\tilde{s})$ where $\tilde{s}_k = 0$ for some $k \not\in I^0(s)$ and $\tilde{s}_i = s_i$ for all other $i \in \{1, \ldots, n\}$. More precisely, let $h = +k$ if $s_k = +1$ and $h = -k$ if $s_k = -1$, then $\tilde{\sigma}$ is the $(t+1)$-simplex $\tilde{\sigma}(y^1, \tilde{\pi})$ in $A(\tilde{s}, \gamma(\tilde{T}))$ where $\tilde{T} = T \cup \{h\}$, $\gamma(\tilde{T}) = (\gamma_1, \ldots, \gamma_{t-1}, h)$, and $\tilde{\pi} = (\pi_1, \ldots, \pi_t, t+1)$.

References.


IN 1987 REEDS VERSCHENEN

242 Gerard van den Berg
Nonstationarity in job search theory

243 Annie Cuyp, Brigitte Verdonk
Block-tridiagonal linear systems and branched continued fractions

244 J.C. de Vos, W. Vervaat
Local Times of Bernoulli Walk

245 Arie Kapteyn, Peter Kooreman, Rob Willemse
Some methodological issues in the implementation of subjective poverty definitions

Sampling for Quality Inspection and Correction: AOQL Performance Criteria

247 D.B.J. Schouten
Algemene theorie van de internationale conjuncturele en structurele afhankelijkheden

On (v,k,λ) graphs and designs with trivial automorphism group

249 Peter M. Kort
The Influence of a Stochastic Environment on the Firm's Optimal Dynamic Investment Policy

250 R.H.J.M. Gradus
Preliminary version
The reaction of the firm on governmental policy: a game-theoretical approach

251 J.G. de Gooijer, R.M.J. Heuts
Higher order moments of bilinear time series processes with symmetrically distributed errors

252 P.H. Stevers, P.A.M. Versteijne
Evaluatie van marketing-activiteiten

253 H.P.A. Mulders, A.J. van Reeken
DATAAL - een hulpmiddel voor onderhoud van gegevensverzamelingen

254 P. Kooreman, A. Kapteyn
On the identifiability of household production functions with joint products: A comment

255 B. van Riel
Was er een profit-squeeze in de Nederlandse industrie?

256 R.P. Gilles
Economies with coalitional structures and core-like equilibrium concepts
257 P.H.M. Ruys, G. van der Laan
Computation of an industrial equilibrium

258 W.H. Haemers, A.E. Brouwer
Association schemes

259 G.J.M. van den Boom
Some modifications and applications of Rubinstein's perfect equilibrium model of bargaining

260 A.W.A. Boot, A.V. Thakor, G.F. Udell
Competition, Risk Neutrality and Loan Commitments

261 A.W.A. Boot, A.V. Thakor, G.F. Udell
Collateral and Borrower Risk

262 A. Kapteyn, I. Woittiez
Preference Interdependence and Habit Formation in Family Labor Supply

263 B. Bettonvil
A formal description of discrete event dynamic systems including perturbation analysis

264 Sylvester C.W. Eijffinger
A monthly model for the monetary policy in the Netherlands

265 F. van der Ploeg, A.J. de Zeeuw
Conflict over arms accumulation in market and command economies

266 F. van der Ploeg, A.J. de Zeeuw
Perfect equilibrium in a model of competitive arms accumulation

267 Aart de Zeeuw
Inflation and reputation: comment

268 A.J. de Zeeuw, F. van der Ploeg
Difference games and policy evaluation: a conceptual framework

269 Frederick van der Ploeg
Rationing in open economy and dynamic macroeconomics: a survey

270 G. van der Laan and A.J.J. Talman
Computing economic equilibria by variable dimension algorithms: state of the art

A simplicial algorithm for finding equilibria in economies with linear production technologies

272 Th.E. Nijman and F.C. Palm
Consistent estimation of regression models with incompletely observed exogenous variables

273 Th.E. Nijman and F.C. Palm
Predictive accuracy gain from disaggregate sampling in arima - models
111
2~4 Raymond H.J.M. Gradus
The net present value of governmental policy: a possible way to find
the Stackelberg solutions

275 Jack P.C. Kleijnen
A DSS for production planning: a case study including simulation and
optimization

276 A.M.H. Gerards
A short proof of Tutte's characterization of totally unimodular
matrices

277 Th. van de Klundert and F. van der Ploeg
Wage rigidity and capital mobility in an optimizing model of a small
open economy

278 Peter M. Kort
The net present value in dynamic models of the firm

279 Th. van de Klundert
A Macroeconomic Two-Country Model with Price-Discriminating Monopo-
lists

280 Arnoud Boot and Anjan V. Thakor
Dynamic equilibrium in a competitive credit market: intertemporal
contracting as insurance against rationing

281 Arnoud Boot and Anjan V. Thakor
Appendix: "Dynamic equilibrium in a competitive credit market:
intertemporal contracting as insurance against rationing

282 Arnoud Boot, Anjan V. Thakor and Gregory F. Udell
Credible commitments, contract enforcement problems and banks:
intermediation as credibility assurance

283 Eduard Ponds
Wage bargaining and business cycles a Goodwin-Nash model

284 Prof. Dr. hab. Stefan Mynarski
The mechanism of restoring equilibrium and stability in polish market

285 P. Meulendijks
An exercise in welfare economics (II)

286 S. Jørgensen, P.M. Kort, G.J.C.Th. van Schijndel
Optimal investment, financing and dividends: a Stackelberg differen-
tial game

287 E. Nijssen, W. Reijnders
Privatisering en commercialisering; een orientatie ten aanzien van
zelfstandiging

288 C.B. Mulder
Inefficiency of automatically linking unemployment benefits to priva-
te sector wage rates
289 M.H.C. Paardekooper
A Quadratically convergent parallel Jacobi process for almost diagonal matrices with distinct eigenvalues

290 Pieter H.M. Ruys
Industries with private and public enterprises

291 J.J.A. Moors & J.C. van Houwelingen
Estimation of linear models with inequality restrictions

292 Arthur van Soest, Peter Kooreman
Vakantiebestemming en -bestedingen

293 Rob Alessie, Raymond Gradus, Bertrand Melenberg
The problem of not observing small expenditures in a consumer expenditure survey

294 F. Boekema, L. Oerlemans, A.J. Hendriks
Kansrijkheid en economische potentie: Top-down en bottom-up analyses

295 Rob Alessie, Bertrand Melenberg, Guglielmo Weber
Consumption, Leisure and Earnings-Related Liquidity Constraints: A Note

296 Arthur van Soest, Peter Kooreman
Estimation of the indirect translog demand system with binding non-negativity constraints
IN 1988 REEDS VERSCHENEN

297 Bert Bettonvil
Factor screening by sequential bifurcation

298 Robert P. Gilles
On perfect competition in an economy with a coalitional structure

299 Willem Selen, Ruud M. Heuts
Capacitated Lot-Size Production Planning in Process Industry

300 J. Kriens, J.Th. van Lieshout
Notes on the Markowitz portfolio selection method

301 Bert Bettonvil, Jack P.C. Kleijnen
Measurement scales and resolution IV designs: a note

302 Theo Nijman, Marno Verbeek
Estimation of time dependent parameters in lineair models using cross sections, panels or both

303 Raymond H.J.M. Gradus
A differential game between government and firms: a non-cooperative approach

304 Leo W.G. Strijbosch, Ronald J.M.M. Does
Comparison of bias-reducing methods for estimating the parameter in dilution series

305 Drs. W.J. Reijnders, Drs. W.F. Verstappen
Strategische bespiegelingen betreffende het Nederlandse kwaliteitsconcept

Regression sampling in statistical auditing

307 Isolde Woittiez, Arie Kapteyn
A Model of Job Choice, Labour Supply and Wages

308 Jack P.C. Kleijnen
Simulation and optimization in production planning: A case study

309 Robert P. Gilles and Pieter H.M. Ruys
Relational constraints in coalition formation

310 Drs. H. Leo Theuns
Determinanten van de vraag naar vakantiereizen: een verkenning van materiële en immateriële factoren

311 Peter M. Kort
Dynamic Firm Behaviour within an Uncertain Environment

312 J.P.C. Blanc
A numerical approach to cyclic-service queueing models
313 Drs. N.J. de Beer, Drs. A.M. van Nunen, Drs. M.O. Nijkamp
Does Morkmon Matter?

314 Th. van de Klundert
Wage differentials and employment in a two-sector model with a dual
labour market

315 Aart de Zeeuw, Fons Groot, Cees Withagen
On Credible Optimal Tax Rate Policies

316 Christian B. Mulder
Wage moderating effects of corporatism
Decentralized versus centralized wage setting in a union, firm,
government context

317 Jörg Glombowski, Michael Krüger
A short-period Goodwin growth cycle

318 Theo Nijman, Marno Verbeek, Arthur van Soest
The optimal design of rotating panels in a simple analysis of
variance model

319 Drs. S.V. Hannema, Drs. P.A.M Versteijne
De toepassing en toekomst van public private partnership's bij de
grote en middelgrote Nederlandse gemeenten

320 Th. van de Klundert
Wage Rigidity, Capital Accumulation and Unemployment in a Small Open
Economy

321 M.H.C. Paardekooper
An upper and a lower bound for the distance of a manifold to a nearby
point

322 Th. ten Raa, F. van der Ploeg
A statistical approach to the problem of negatives in input-output
analysis

323 P. Kooreman
Household Labor Force Participation as a Cooperative Game; an Empirical
Model

324 A.B.T.M. van Schaik
Persistent Unemployment and Long Run Growth

325 Dr. F.W.M. Boekema, Drs. L.A.G. Oerlemans
De lokale produktiestructuur doorgelicht.
Bedrijfstakverkenningen ten behoeve van regionaal-economisch onder-
zoek

Sampling for quality inspection and correction: AOQL performance
criteria
Theo E. Nijman, Mark F.J. Steel
Exclusion restrictions in instrumental variables equations

B.B. van der Genugten
Estimation in linear regression under the presence of heteroskedasticity of a completely unknown form

Raymond H.J.M. Gradus
The employment policy of government: to create jobs or to let them create?