

Keep in mind

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General equilibrium theory was criticized for its apparent irrefutability, as seemingly implied by the Sonnenschein-Mantel-Debreu theorem. This view was challenged by Brown and Matzkin (1996), who showed the existence of testable restrictions on the equilibrium manifold. Brown and Matzkin, however,

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maintain the assumption that individual preferences are invariant (against psychological evidence). I consider the Brown- Matzkin problem under random preferences: for each profile of endowments one observes a distribution of prices; does there exist a probability distribution of preferences that explains the observed distributions of prices via Walrasian equilibria? I argue that even under random utilities general equilibrium theory is falsifiable.