

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[Andrés Mauricio Carvajal](#)

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, 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.