

## **Learning, Market Clearing, and Trading Institutions**

Carlos Alos-Ferrer and Georg Kirchsteiger

We analyze the question of whether traders learn to coordinate in a trading institution that guarantees market clearing, or whether other market institutions (with systematic biases and rationing) can survive in the long run. While we find that market clearing institutions are always stable under a general class of learning dynamics, it turns out that also other, non-market clearing institutions are stable. Hence, in the long run traders may fail to coordinate exclusively in market clearing institutions. The basic predictions were also tested in laboratory experiments.