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Topics in Microeconomic Theory (PhD), Winter 2017

The class takes place Tuesday 16:15-17:45 in room 0.017 (previously known as room 55).

Contents:

This topics course we will be about “**bargaining**”, i.e. situations where (i) there are number of mutually beneficial agreements (ii) there is a conflict of interest among players and (iii) no agreement may be imposed on any individual without his or her approval. We will consider formal models of bargaining with asymmetric information, bargaining between many players, reputational bargaining, role of commitments in bargaining, and so on. Since bargaining is central in so many areas (think, for example, about trade, matching, political economy, labor) the class hopefully will also be useful to students who are more interested in more applied theory.

Since the topics discussed this year have essentially no overlap with the questions addressed in the topics courses taught by me in the last two years, the class may also potentially be interesting for students who took those classes.

Organizational Issues:

This is a course targeted at PhD students. To obtain a grade you will need to **present in class** and submit a short **research proposal**. Optimally, the research proposal should present the idea for a paper, illustrate it with some examples, and relate the proposed research question to the existing literature.

Preliminary List of Possible Papers :

At the beginning of the course, I will use 2-3 lectures to review some classic cooperative and non-cooperative results.

Hart and Mas-Colell (EMA, 1996): Bargaining and Value

Perry and Reny (EMA, 1994): A non-cooperative View of Coalition Formation and the Core

Chatterjee, H Sabourian (EMA, 2000): Multiperson bargaining and strategic complexity

Eraslan, H. & McLennan, A. (JET, 2013). Uniqueness of stationary equilibrium payoffs in coalitional bargaining

Manea (AER, 2011), "Bargaining in Stationary Networks"

Anderlini and Felli (EMA 2001): Costly Bargaining and Renegotiation

(de Clippel and Serrano (EMA, 2008): Marginal Contributions and Externalities in the Value)

Borm, Ju, and Wettstein (JET, 2015): Rational Bargaining in Games with coalitional Externalities

Harsanyi and Selten (1972): A generalized Nash Bargaining Solution for

Myerson (EMA, 1984): Two-Person Bargaining Games with Incomplete Information

Myerson (EMA, 1984) Two-person bargaining problems with incomplete Information

Okada (JET, 2016): A non-cooperative bargaining theory with incomplete Information: Verifiable Types

Abreu and Gul (EMA, 2000): Bargaining and Reputation

Abreu and Pearce (EMA, 2007): Bargaining, Reputation and Equilibrium Selection in Repeated Games with Contracts

Compte and Jehiel (EMA, 2002): On the Role of Outside Options in Bargaining with Obstinate Parties

Wolitzky (EMA, 2012): Reputational Bargaining with Minimal Knowledge of Rationality

Fanning (EMA 2016): Reputational Bargaining and Deadlines

Abreu Pearce Stacchetti (Theor. Econ., 2015): One Sided Uncertainty and Delay in Reputational Bargaining

Crawford (EMA, 1982): A Theory of Disagreement in Bargaining

Ellingsen and Miettinen (AER, 2008): Commitment and Conflict in Bilateral Bargaining

Abreu and Pearce (EMA, 2015): A Dynamic Reinterpretation of Nash Bargaining with Endogenous Threats