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Topics in Economic Theory, Stephan Laueremann, Summer 2019

Decentralized Matching

—Tentative Syllabus—

Aim. The goal of the course is to get you started writing your research papers.

Content.

- This course covers topics on the intersection of search theory and matching.
- The basic question is the analysis of matching patterns for classic settings—the marriage market and the assignment problem—that arise when matching takes place in a decentralized setting
- The basic tools are matching theory and search theory.
- A part of the class is based on the survey :
Chade, H., Eeckhout, J. and Smith, L., 2017. *Sorting through search and matching models in economics*. Journal of Economic Literature, 55(2), pp.493-544.

Structure

The class has several parts

- The first part of the class will be lectures on basic models of matching in a search market (*4-6 lectures*)
- The second part of the class will be discussion of material from the survey Chade *et al.* (2017) (*2-3 lectures*)
- The third part of the class are student presentations of papers and own projects
- There will also be some class time to help generate idea for research and give some general information (e.g., about refereeing, job market etc)

Student Contributions

- Short presentation related to one section from Chade *et al.* (2017) (15-30 minutes, paired with another student)
- Presentation of one paper or own project (60 minutes)

- 2 Early Ideas
- Active participation and contribution of discussion questions for classes

Timeline (Tentative)

1. **Decentralized Matching: NTU (Marriage Market)**
April 8 Lecture I Basic Model
2. April 15 Lecture II Basic Model
3. April 29 Lecture III Discussion of Literature / Recent Contributions
4. **Decentralized Matching: TU (Assignment Model)**
May 6 Lecture IV Basic Model
5. *May 9, Thursday: Minicourse, Asher Wolinsky "Simultaneous Search"*
6. May 13 Lecture V Basic Model
7. May 20 Lecture VI Discussion of Literature / Recent Contributions
8. **Survey Chade *et al.* (2017)**
May 27
9. June 3
10. (June 17, no class)
Student presentations
11. June 24 Block I
12. Juli 1 Block II
13. Tentative July 5, *Friday* Block III (tentative)
14. (July 8, no class)

Literature for the Lectures (To be Updated)

Basic Models of Search and Matching: NTU

- Smith (2006)
- Burdett & Coles (1997)
- Lauermaun & Nöldeke (2014)

Basic Models of Search and Matching: TU

- Shimer & Smith (2000)
- Lauer mann & Noldeke (2019)

Books/Surveys

- Smith (2011)
- Gale (2000)
- Rubinstein & Wolinsky (1990)
- Duffie (2012)
- Rogerson *et al.* (2005)

Potential Papers for Presentations (To be Updated)

1. Decentralized Matching Markets (TU and NTU)

- Eckhout & Kircher (2010)
- Smith (n.d.)
- Shimer & Smith (2000)
- Elliott & Nava (2019)

2. Search and Learning

- Wolinsky (1990)
- Golosov *et al.* (2014)
- Lauer mann *et al.* (2017)
- Janssen *et al.* (2017)
- Duffie *et al.* (2016)

3. Consumer Search

- Choi *et al.* (2018)
- Armstrong (2017)

4. Trade with Adverse Selection

- Liu *et al.* (2014)
- Guerrieri *et al.* (2010)
- Lauer mann & Wolinsky (2016)
- Hörner & Vieille (2009)

5. Identification

Eeckhout & Kircher (2011)

Hagedorn *et al.* (2017)

6. Trade on Networks

Manea (2011)

Manea (2018)

Condorelli *et al.* (2016)

Other (Recent) Papers

References

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- Condorelli, Daniele, Galeotti, Andrea, & Renou, Ludovic. 2016. Bilateral trading in networks. *The Review of Economic Studies*, **84**(1), 82–105.
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- Hagedorn, Marcus, Law, Tzuo Hann, & Manovskii, Iourii. 2017. Identifying equilibrium models of labor market sorting. *Econometrica*, **85**(1), 29–65.
- Hörner, Johannes, & Vieille, Nicolas. 2009. Public vs. private offers in the market for lemons. *Econometrica*, **77**(1), 29–69.
- Janssen, Maarten C. W., Parakhonyak, Alexei, & Parakhonyak, Anastasia. 2017. Non-reservation price equilibria and consumer search. *Journal of Economic Theory*, **172**, 120–162.
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