

Humboldt University – Berlin
May 2014

On Competing Mechanisms models

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This is a short course for PhD students or researchers interested in the literature on competing principals. As a reference framework, we will examine the classical generalized principal-agent problem as formulated by Myerson (1982). We will then discuss the common agency framework and the role of menu as optimal mechanisms. Finally, we will devote attention to multiple principals multiple agents models of competition.

Here is a list of references for the course.

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Epstein, L. G. & Peters, M., 1999. "A Revelation Principle for Competing Mechanisms," *Journal of Economic Theory*, 88(1), 119-160.

McAfee, R .P., 1993. "Mechanism Design by Competing Sellers," *Econometrica*, 61(6), 1281-1312.

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D. Martimort & L. Stole, 2002. "The Revelation and Delegation Principles in Common Agency Games," *Econometrica*, 70(4), 1659-1673.

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D. Martimort & L. Stole, 2003. "Contractual Externalities and Common Agency Equilibria," *The B.E. Journal of Theoretical Economics*, 3(1), 1-40.

Peters, M. 2004, "Pure Strategy and No-externalities with Multiple Agents", *Economic Theory*, 23, 183-194.

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A. Attar, E. Campioni, G. Piasser and U. Rajan, 2010, "On multiple-principal multiple-agent models of moral hazard", *Games and Economic Behavior*, 68(1), pp.376-380.

Peters, M. 2012, "Survey on Competing Mechanisms 2 - The revelation principle" available at: <http://montoya.econ.ubc.ca/>

A. Attar, E. Campioni, G. Piasser and U. Rajan, 2012, "Competing Mechanism Games of Moral Hazard: Communication and Robustness", *Review of Economic Design*, 16(4), pp.283-296.

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Papers which could be presented and discussed in class.

Attar A., Mariotti T. and F. Salanié, 2011. "Nonexclusive Competition in the Market for Lemons," *Econometrica*, 79(6), 1869-1918.

Bizer, D. and P. M. DeMarzo, 1992. "Sequential Banking," *Journal of Political Economy*, 100(1), 41-61.

Dixit A., G. Grossman and E. Helpman, 1997, "Common Agency and Coordination: General Theory and Application to Government Policy-making", *Journal of Political Economy*, 105, 752-769

Kahn C. and D. Mookherjee, 1998. "Competition and Incentives with Nonexclusive Contracts," *RAND Journal of Economics*, 29(3), 443-465.

Martimort D., 1996, "Exclusive dealing, common agency and multiprincipals incentive theory " *Rand Journal of Economics*, 27(1), 1-31.

Parlour C. and U. Rajan, 2001, "Competition in Loan contracts", *American Economic Review*, 95(1), 1311-1328.