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# THEoretical Studies on IncentiveS

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$\alpha$ -Version

David Martimort<sup>1</sup>

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## 1 Overview

The goal of the workshop is to discuss in an informal and interactive ways recent developments in the Theory of Incentives. The choice of topics reflects a mixture between my own current interests and the recent papers I came through.

Practically, we should meet most of the time on thursday at 1 :30 pm till 3 :30/4 :00 pm but I have a strong preference for doing it on mondays. You are supposed to give a presentation which may be ideally a mix between the relevant literature on the topic, a particular frontier paper and maybe your own thoughts on the topic. Collaborative work is encouraged. Also, I suggest that everybody reads a little bit about the topic under scrutiny each week so that discussions can really comes out of that. We will get bored by long presentations without much interactions.

The “prerequisite” is a good knowledge of my own books with Jean-Jacques Laffont *The Theory of Incentives : The Principal-Agent Analysis* (2002, Princeton University Press) and *The Theory of Incentives : Complex Organizations* (forthcoming one of these days).

Last point, there will be a “feuille de presence” that you need to fill each time you are there....Those of you who know me know also that I am not a big fan of that kind of monitoring. Let me explain, this seminar is part of my EHESS duties and to justify that EHESS really exists, I need to provide hard evidence on the fact that seminar actually runs. This is not you who are monitored but me... (For those who do not know France and its intricacy of research centers and rules, all this is weird and they should not care).

## 2 Suggested Program

Here is a list of potential topics, other suggestions may be discussed as well. There is no particular order.

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<sup>1</sup>Toulouse School of Economics and EHESS.

1. *Competition and Common Agency* : On Thursday 8th November, Andrea Attar will talk about his own research on the topic and the following :
 

Attar, A., E. Campioni and G. Piasser (2001) : “Multiple Lending and Constrained Efficiency in the Credit Market,” <http://www.bepress.com/bejte/contributions/vol6/iss1/art7/>.

Bizer, C. and P. De Marzo (1992) : “Sequential Banking,” *Journal of Political Economy*, 100, 41-61.

Khan, C. and D. Mookherjee (1999) : “Competition and Incentives in Non-Exclusive Contracts,” *Rand Journal of Economic Review*, 91, 1311-1328.

Parlour, C. and U. Rajan (2001) : “Competition in Loan Contracts,” *American Economic Review*, 29, 443-465.
2. *Static Collusion* :
 

Laffont, J.-J. and D. Martimort (1997) : “Collusion under Asymmetric Information,” *Econometrica*, 65, 875-912.

Laffont, J.-J. and D. Martimort (2000) : “Mechanism Design with Collusion and Correlation,” *Econometrica*, 68, 309-342.

Che, Y.-K. and J. Kim (2006) : “Robustly Collusion-Proof Implementation,” *Econometrica*, 74, 1063-1108.

Che, Y.-K. and J. Kim (2006) : “Strong Collusion-Proof Implementation : Addendum to Che and Kim (2006),” mimeo.
3. *Collusion in Auctions/Participation* :
 

Che, Y.-K. and J. Kim (2006) : “Optimal Collusion-Proof Auctions,” mimeo.

Dequiedt, V. (2007) : “Efficient Auctions in Optimal Auctions,” *Journal of Economic Theory*, 136, 302-323.

Pavlov, G. (2004) : “Colluding on Participation Decision,” mimeo.
4. *Dynamic Collusion* :
 

Abdukadiroglu, A. and K.S. Chung (2003) : “Auction Design with Tacit Collusion,” <http://kimsauchung.googlepages.com/collusion.pdf>.
5. *Robust Mechanism Design* :
 

Bergemann, D. and S. Morris (2005) : “Robust Mechanism Design,” *Econometrica*, 73, 1771-1814.

Neeman, Z. (2004) : “The Relevance of Private Information in Mechanism Design,” *Journal of Economic Theory*, 117, 55-77.
6. *Dominant Strategy Mechanisms* :
 

Chung, K.S. and J. Ely (2007) : “Foundations for Dominant Strategy Mechanisms,” *Review of Economic Studies*, 74, 447-476.

Copic, J. and C. Ponsati (2004) : “Ex Post Efficiency of Mechanisms for Bilateral Trade with Risk-Averse Traders,” mimeo.
7. *Limited Enforcement* :
 

Compte, O. and P. Jehiel (2006) : “Veto Constraints in Mechanism Design : Inefficiency with Correlated Types,” mimeo PSE CERAS.
8. *Correlated Types* :
 

Bose S. and J. Zhao (2007) : “Optimal Use of Correlated Information in Mechanism Design when Full Surplus Extraction May Be Impossible,” *Journal of Economic Theory*, 135, 357-381.

Gary-Bobo R. and Y. Spiegel (2006) : “Optimal State-Contingent Regulation under Limited Liability,” *Rand Journal of Economics*, 37.

Obara I. (2006) : “The Full Extraction of Surplus with Hidden Actions,” mimeo.
9. *Information Gathering* :

- Gromb D. and D. Martimort (2007) : “Collusion and the Organization of Delegated Expertise,” forthcoming *Journal of Economic Theory*.
- Gerardi D. and L. Yariv (2007) : “Information Acquisition in Committees,” mimeo.
10. *Communication/Delegation : Single-Agent Models*  
 Alonso, R. and N. Matoushek (2006) : “Optimal Delegation,” forthcoming *Review of Economic Studies*.
- Kovac E. and T. Mylovanov (2006), “Stochastic Mechanisms in Settings without Monetary Transfers : Regular Case”, mimeo.
- Martimort D. and A. Semenov (2006), “Continuity in Mechanism Design without Transfers”, *Economics Letters*, 93, 182-189.
11. *Communication/Delegation : Dynamics*  
 Alonso R. and N. Matoushek (2006) : “Relational Delegation,” forthcoming *Rand Journal of Economics*.
- Athey S., A. Atkeson and P. Kehoe (2005) : “The Optimal Degree of Discretion in Monetary Policy,” *Econometrica*, 73, 1431-1471.
12. *Communication : Multi-Agent Models*  
 Alonso R., W. Dessein and N. Matoushek (2006) : “When Does Coordination Requires Centralization,” forthcoming *American Economic Review*.
- Martimort D. and A. Semenov (2007), “The Informational Effects of Competition and Collusion in Legislative Politics”, mimeo IDEI.
13. *Communication : Miscellaneous*  
 Li H., S. Rosen and W. Suen (2001) : “Conflicts and Common Interests in Committees,” *American Economic Review*, 91, 1478-1498.
- Sobel J. (2007), “Information Aggregation and Group Decisions”, mimeo University California San Diego.
14. *Renegotiation-Proofness*  
 Pavlov G., and Z. Neeman (2007) : “Renegotiation-Proof Mechanism Design,” mimeo.
15. *Dynamic Mechanism Design : Full Commitment*  
 Athey S. and D. Miller (2006) : “Efficiency in Repeated Trade with Hidden Valuations,” mimeo.
- Athey S. and I. Segal (2007) : “An Efficient Dynamic Mechanism,” forthcoming *Theoretical Economics*.
- Athey S. and I. Segal (2007) : “Designing Efficient Mechanisms for Dynamic Bilateral Trades,” *American Economic Review, Papers and Proceedings*.
- Battaglini M. (2005) : “Long-Term Contracting with Markovian Consumers,” *American Economic Review*, 95, 637-658.
- Bergeman D. and J. Vallimacki (2006) : “Efficient Dynamic Auctions,” WP Cowles Foundation.
16. *Dynamic Mechanism Design : Limited Commitment*  
 Battaglini M. (2007) : “Optimality and Renegotiation in Dynamic Contracting,” *Games and Economic Behavior*, 60, 213-246.
- Skreta V. (2007) : “Sequentially Optimal Mechanisms,” *Review of Economic Studies*, 73, 1093-1111.
17. *Manipulability*  
 Dequiedt V. and D. Martimort (2007) : “Mechanism Design with Bilateral Contracting,” mimeo IDEI.
- Jehiel P. (2007) : “Manipulative Auction Design,” mimeo PSE CERAS.
18. *Subjective Evaluations*  
 McLeod, B. (2003) : “Optimal Contracting with Subjective Evaluations,” *American Eco-*

*conomic Review*, 93, 216-240.

Fuchs, W. (2005) : “Contracting with Repeated Moral Hazard and Subjective Evaluations,” mimeo University of Chicago.

19. *Topics on Nonlinear Pricing*

Bergeman D. and K. Schlag (2007) : “Pricing without Priors,” WP Cowles Foundation.

Esteban S., E. Miyagawa and M. Shum (2007) : “Nonlinear Pricing with Self-Control Preferences,” *Journal of Economic Theory*, 135, 306-338.