

Bargaining with Incomplete Information

Anna Sanktjohanser, Toulouse School of Economics

This course reviews the literature on bargaining with one-sided and two-sided incomplete information. On one-sided incomplete information, the lectures will cover the Coase conjecture (its scope and its limitations) and bargaining with interdependent values. On two-sided incomplete information, the lectures will cover reputational bargaining in a variety of settings.

Lecture 1: One-sided incomplete information: Coase conjecture

Lecture 2: One-sided incomplete information: Bargaining with interdependent values

Lecture 3: Two-sided incomplete information: Reputational bargaining

The main readings are:

*Abreu, D. and F. Gul (2000). Bargaining and Reputation. *Econometrica* 68(1), pp. 85–117.

*Ausubel, L. M. and R. J. Deneckere (1992). Durable goods monopoly with incomplete information. *The Review of Economic Studies* 59(4), 795–812.

* Coase, Ronald. "Durability and Monopoly" in *Journal of Law and Economics*, vol. 15(1), pp. 143–49, 1972.

* Deneckere, R. and M.-Y. Liang (2006). Bargaining with Interdependent Values, *Econometrica*, 74 (5), pp. 1309-1364 (56 pages)

*Gul, F., H. Sonnenschein, and R. Wilson (1986, June). Foundations of dynamic monopoly and the coase conjecture. *Journal of Economic Theory* 39(1), 155–190.