

An Expected-Efficient Status Quo

Allows Efficient Bargaining

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ABSTRACT

In a general model of asymmetric-information bargaining with independent private values and quasilinear utilities, efficient bargaining is possible when the status-quo allocation (the distribution of property rights) is the expected efficient allocation. The only assumption needed for this is that the total surplus is convex in the allocation, which holds as long as randomized allocations are allowed.