Midwest Economic Theory Conference
Spring 2002
Northwestern University, Kellogg School of Management
May 3-5, 2002

Program

Session I:  Friday May 3, 2:00 - 5:30

2:00 – 2:30 Andreas Blume (University of Pittsburgh) and April Franco
Learning from Failure

2:30 – 3:00 Ping Wang (Vanderbilt University and NBER) and Alison Watts
Formation of Buyer-Seller Trade Networks in a Quality-Differentiated Product Market

3:00 – 3:30 Matthew O. Jackson (California Institute of Technology) and Antoni Calvo-Armentgol
Social Networks and Resulting Patterns and Dynamics of Employment and Wages

Break

4:00 - 4:30 Peter Klibanoff (Northwestern University, Kellogg MEDS), Massimo Marinacci and Sujoy Mukerji
A smooth model of decision making under ambiguity

4:30 – 5:00 Biung-Ghi Ju (University of Kansas)
Strategy-Proof Risk Sharing

5:00 – 5:30 Takashi Hayashi (University of Rochester)
Intertemporal Substitution, Risk Aversion and Ambiguity Aversion

Session IIA:  Saturday May 4, 9:00 - 12:30

9:00 – 9:30 William Stanford (University of Illinois at Chicago)
Strong Individual Rationality in Discrete Bimatrix Games

9:30 – 10:00 David McAdams (MIT Sloan School of Management)
Isotone Equilibrium in Games of Incomplete Information

10:00 – 10:30 Kevin Cotter and Jee-Hyeong Park (Wayne State University)
Non-concave Dynamic Programming
Break

11:00 – 11:30  **Uday Rajan** (GSIA, Carnegie Mellon University) and Christine A. Parlour
*Inefficient Trade*

11:30 – 12:00  **Jay Pil Choi** (Michigan State University) and Marcel Thum
*Corruption and the Shadow Economy*

12:00 – 12:30  **Thomas D. Jeitschko** (Michigan State University), Neelam Jain and Leonard J. Mirman
*Financial Contracting, Signal-Jamming, and Entry Deterrence*

**Session IIB: Saturday May 4, 9:00 - 12:30**

9:00 – 9:30  **Tilman Klumpp** (University of Western Ontario)
*When It Pays to Be Honest: Public Communication Devices in Financial Markets*

9:30 – 10:00  **Claudio Mezzetti** (University of North Carolina)
*Mechanism Design with Interdependent Valuations: The Generalized Revelation Principle, Efficiency and Full Surplus Extraction*

10:00 – 10:30  **Ron Harstad** (Fuqua School of Business, Duke University) and Vlad Mares
*Private Information Revelation in Common-Value Actions*

Break

11:00 – 11:30  **Jiandong Ju** (University of Economics)
*Efficient Social Welfare Function and Optimal Income Distribution*

11:30 – 12:00  **Rafael Tenorio** (DePual University) and Gabriella Bucci
*Coordination Games and Focal Points: A Natural Experiment from a Television Game Show*

12:00 – 12:30  **Susan Lee** (Florida State University)
*Endogenous Assorting*

**Session IIIA: Saturday May 4, 2:00 – 5:30**

2:00 - 2:30  **Richard Engelbrecht-Wiggans** (University of Illinois at Urbana-Champaign)
*Demand Reduction in Multi-Unit Uniform-Price Auctions*

2:30 – 3:00  **Ted To** and **V. Bhaskar**
*Is Perfect Price Discrimination Really Efficient? An Analysis of Free Entry*

3:00 – 3:30  **Mort Kamien** (Northwestern University, Kellogg MEDS) and Johannes Horner
*Too Much of a Good Thing? Resale and the Coase Conjecture*
Break

4:00 – 4:30  Ehud Kalai (Northwestern University, Kellogg MEDS)
            *Robust Large Games*

4:30 – 5:00  Jianjun Miao (University of Rochester)
            *Competitive Equilibria of Economies with a Continuum of Consumers and Aggregate Shocks*

5:00 – 5:30  Subir K. Chakrabarti (Indiana University-Purdue University at Indianapolis)
            *Stationary Equilibrium in Stochastic Games*

Session IIIB:  Saturday May 4, 2:00 – 5:30

2:00 - 2:30  Alwyn Young (NBER)
            *Demographic Fluctuations, Generational Welfare and Intergenerational Transfers*

2:30 – 3:00  Angela Birk (University of Hamburg)
            *Long-Term Unemployment and Technical Progress in an Open Growth-Matching Model*

3:00 – 3:30  Halix Murat Yildiz (Southern Methodist University) and Kamal Saggi
            *On the International Linkages Between Trade and Merger Policies*

Break

4:00 – 4:30  Roger Lagunoff (Georgetown University)
            *Credible Communication in Dynastic Government*

4:30 – 5:00  Stephen P. Magee (University of Texas) and Changkyu Choi
            *The Effects of Rent Seeking on the Current Account and the Government Budget Deficit: Theory and Evidence*

5:00 – 5:30  Ben Zissimos (University of Warwick), Myrna Wooders and Amrita Dhillon
            *Tax Competition Reconsidered*

Session IV:  Sunday May 5, 9:00 – 12:30

9:00 – 9:30  Johannes Horner (Northwestern University) and Nicolas Sahuguet
            *The War of Attrition with Endogenous Effort Levels*

9:30 – 10:00 Rodrigo Harrison (Georgetown University)
            *Equilibrium Selection in Global Games with Strategic Substitutes*
10:00 – 10:30  Szilvia Papai (University of Notre Dame)
              _The Existence of Stable Hedonic Coalitions_

Break

11:00 – 11:30  Hao Want (The Ohio State University)
              _Retailer Heterogeneity and Price Maintenance_

11:30 – 12:00  Harrison Cheng (University of Southern California, Los Angeles)
              _Partnership Efficiency and the No Surplus Condition_

12:00 – 12:30  Sergei Severinov (University of Wisconsin) and Raymond Deneckere
              _Mechanism Design and Communication Costs_