Price and Choose

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Abstract

We describe a two-stage mechanism that fully implements the set of efficient outcomes in two-agent environments with quasi-linear utilities. The mechanism asks one agent to set prices for each outcome, and the other agent to make a choice, paying the corresponding price: Price & Choose. We extend our implementation result in three main directions: an arbitrary number of players, non-quasi linear utilities, and robustness to max-min behavior. Finally, we discuss how to reduce the payoff inequality between players while still achieving efficiency.