

5.0 credits	30.0 h	2q
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Teacher(s) :	Maniquet François ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Main themes :	<p>First theme : fair division : is it possible to justify using markets to allocate private goods ? We will study the efficiency, cooperation and fairness justifications to markets. After that, we will review the fairness criticism to markets, based on the fact that competitive allocation rules fail to satisfy monotonicity properties with respect to changes in the environment.</p> <p>Second theme : fair assignment of indivisible objects : we will see that some justifications to markets fail to hold when there are indivisibilities ; also, we will define alternatives to markets.</p> <p>Third theme : school choice : we will see that the impossibility to use money to compensate students who are sent to schools they don't like makes the problem harder to solve and prevents one to use markets to allocate school seats. We will discuss the justification to centralised mechanisms and the core justification to some special algorithms.</p> <p>Further themes (as a function of the available time) : queuing, housing market, marriage market, bargaining, bankruptcy.</p>
Aims :	<p>The objective of this course is to provide students with an introduction to collective choice theory. The key concepts will be drawn from cooperative game theory and the theory of fair allocation, and will include Pareto efficiency, the core, no-envy, egalitarian-equivalence, solidarity and strategy-proofness. In a series of problems, these concepts will be used to derive normatively appealing allocation rules. These problems include fair division, the allocation of indivisible objects, queuing and school choices. At the end of the course, students are expected to be able to apply the key concepts to new allocation problems, and use them to justify some solutions to these problems.</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Content :	<p>Contents :</p> <p>Introduction : The four ingredients of collective choice theory: efficiency, co-operation, fairness and strategic manipulation.</p> <p>Ch 1 : Markets : markets can be justified from a co-operation point of view ; markets can be justified from a fairness point of view ; other institutions can be justified as well.</p> <p>Ch 2 : Allocation of objects : Markets are not easy to justify ; No-envy is incompatible with the stand-alone upper bound ; Strategic manipulation: second price auctions.</p> <p>Ch 3 : School choice : Many-to-one matching ; The Boston algorithm ; the New York algorithm ; The top trading cycle.</p> <p>Ch sq. : Queuing, bargaining, bankruptcy, housing markets, marriage markets.</p> <p>Method :</p> <p>There are weekly lectures ; after each lecture, students get a mandatory home assignment for the following week.</p>
Other infos :	<p>intermediary microeconomics</p> <p>Written exam and/or a take-home exam where students have to propose and justify solutions to a problem that was not studied during the lectures.</p> <p>Students receive a short reading list and a detailed contents of the course.</p>
Cycle and year of study :	<p><a href="#">&gt; Master [120] in Economics: General</a></p> <p><a href="#">&gt; Master [120] in Agricultural Bioengineering</a></p>
Faculty or entity in charge:	ECON