

## "Auctions" by Invitation (Asher Wolinsky)

- Focus is on costly recruitment of bidders
  - Rounding up bidders is costly
  - Obviously an important aspect of auction-like market situations
- Different issues to be discussed in the context of costly recruitment
  - Observability and Commitment
  - Bidders' costly participation
  - Bidders' costly information acquisition.
  - Bidders' "excessive caution" in bidding.
  - Auctioneer's private information.
- Will use different variations on a basic auction model to highlight these different issues.
- The Lessons/insights include:
  - systematic inefficiencies.
  - certain effects of auctioneer's information on the price.