CV - Licun Xue

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Citizenship	Canadian

Education

- Ph.D. (Economics), McGill University, 1996
- M.A. (Economics), McGill University, 1992
- M.Eng., Tianjin University, 1986
- B.Eng., Tianjin University, 1983

Research Interests

Game theory and its applications in microeconomics, industrial organization, political economy, trade, and environment

Recent Teaching

Economics of Information and Incentives, Competition and Cooperation, Microeconomics, Game Theory

Working Experience

- Associate Professor (with tenure), McGill University, June 2006 -
- William Dawson Scholar, McGill University, January 2005-
- Assistant Professor, McGill University, August 2003–May 2006
- Associate Professor (with tenure), University of Aarhus, June 2000–July 2003
- Assistant Professor, University of Aarhus, June 1997–May 2000
- Post-doctoral fellow, C.R.D.E., Montreal and Lecturer, McGill University, Sept. 1996–May 1997

Honors and Awards

- Dean's Honor List (for Ph.D. dissertation), McGill University, 1996
- Social Sciences and Humanities Research Council (SSHRC) of Canada Doctoral Fellowship, 1993-1995
- Funds pour la Formation de Chercheurs et l'Aide a la Recherche (FCAR) Fellowship, Quebec, Canada 1993-1994
- Max Bell Open Fellowship, McGill University, 1993-1994

External Research Grants

- Fonds Quebecois de la Recherché sur la Societe et la Culture (FQRSC) Coinvestigator 2011-2015 (363,524 \$), (joint with Effrosyni Diamantoudi, Szilvia Papai, Takashi Kunimoto, and Dipjyoti Majumdar)

- Social Sciences and Humanities Research Council (SSHRC) Standard Research Grant, Principal Investigator, 2004-2007 (\$76,800) and 2007-2010 (\$40,000)

- Fonds Quebecois de la Recherché sur la Societe et la Culture (FQRSC), Principal Investigator 2004-2007 (\$39,000), Coinvestigator 2008-2010 (joint with Effrosyni Diamantoudi, Szilvia Papai, and Takashi Kunimoto, \$59,431)

- Danish SSF (Social Science Foundation), 2002-2003 (~\$81,000, other members: R. Amir, E. Diamantoudi, N. Nannerup)

Publications and Manuscripts

- "Nonemptiness of the Largest Consistent Set", *Journal of Economic Theory*, 1997, Vol. 73

  This paper extends Chwe's (JET, 1994) largest consistent set to environments with continuum of alternatives.

- "Coalitional Stability under Perfect Foresight", *Economic Theory*, 1998, Vol. 11

  Perfect foresight as implied by rationality has been overlooked in the literature of coalitional analysis [e.g., Harsanyi (1974), Chwe (1994)]. This paper analyzes the coalitions that are likely to form and the status quos that are stable if players have perfect foresight.

- "Negotiation-Proof Nash Equilibria", *International Journal of Game Theory,* 2000, Vol. 29

  This paper analyzes which Nash equilibria survive open negotiation prior to the play of a strategic game.

- "Stable Agreements in Infinitely Repeated Games", *Mathematical Social Sciences,* 2002, Vol. 43

  This paper offers a notion of self-enforcing agreements in repeated games that take into account behavior of coalitions.

- "Coalition Formation and Farsightedness", joint with Marco Mariotti, in *Coalition Theory*, C. Carraro and D. Siniscalco (eds.), Elgar, 2003

  An overview of theories of coalition formation among agents who are forward-looking.

- "Farsighted Stability in Hedonic Games", joint with Effrosyni Diamantoudi, *Social Choice and Welfare,* 2003, Vol. 21

  This paper studies how farsighted agents partition themselves in situations where their preferences depend solely on the coalitions they belong to (e.g., clubs, matching problems.).

- "Random Paths to Stability in the Roommate Problem", joint with Effrosyni Diamantoudi and Eiichi Miyagawa, *Games and Economic Behavior, 2004,* Vol. 48

    This paper shows that a sequence of myopic blockings leads to a stable matching in the roommate problem. This generalizes the results in the literature.

- "Coalitions, Agreements and Efficiency", joint with Effrosyni Diamantoudi, *Journal of Economic Theory*, 2007, Vol 127

    This paper studies whether efficient agreements can be reached in environments where externalities are present and coalitions can form.

- "Winners and Losers from the Gradual Formation of Trading Blocs" (previously "Does Free Trade Benefit All"), joint with Ines Macho-Stadler, *Economica*, 2007, Vol. 74

    Using a dynamic model of trading bloc formation, we show that free trade does not necessarily benefit all countries.

- "The Bargaining Within", *Economic Letters*, 2008, No. 101

    This paper shows that intrapersonal bargaining in a dual-self model can be used to provide a foundation for quasi-hyperbolic discounting model popularized by Laibson (1994, 1997).

- "Merger Profitability under Uncertain Efficiency Gains", joint with R. Amir and E. Diamantoudi, *International Journal of Industrial Organization,* 2009, Vol 27

    We analyze how uncertainty about the costs of merged firms affects the profitability of the merger and other aspects of the market (price, output, profits of non-merging firms, welfare). Our findings accord well with the empirical observations.

- "Forming Efficient Free-Trade Networks: A Sequential Mechanism", joint with J. Zhang and X. Yin, *Review of International Economics,* 2011
    Vol 19.

    We show that free trade can be achieved in the equlibrium of a sequential game of network formation.

- "Bidding and Sequential Coalition Formation with Externalities", joint with L. Zhang, *International Journal of Game Theory,* 2012, Vol. 41.

    We use a bidding mechanism to endogenize the choice of proposals in a sequential game of coalition formation. We show that the game admits a dynamically efficient Markov perfect equilibrium.

- "Farsighted Free Trade Networks", joint with Jin Zhang and Lei Zu, *International Journal of Game Theory,* 2013, Vol 42.

We show that global free trade can be obtained by a sequence of "incentive compatible" bilateral free trade agreements if countries are farsighted.

- "Decentralized Matching: The Role of Commitment, joint with Effrosyni Diamantoudi (Concordia U.) and Eiichi Miyagawa (Columbia U.), revised and submit at *Games and Economic Behavior*

  We study a dynamic model of decentralized matching in which firms make repeated offers to workers. We analyze the role of commitment (by both sides or one side or no side) in determining equilibrium matching.

- "Growth Heterogeneity and International Environmental Agreements in an Infinite Horizon Model" (joint with Lingling Zhang), revise and resubmit at *Journal of Public Economic Theory*

  We study how growth heterogeneity affects countries' incentive to enter an international environmental agreement and design mechanism to implement mutually beneficial agreements.

- "Sharing the Surplus in Games with Externalities within and across Issues", joint with Effrosyni Diamantoudi, Ines Macho-Stadler, and David Perez-Castrillo, under review at *Games and Economic Behavior*

  We propose an extension of the Shapley value to coalitional games with externalities both within and across issues.

- "Coalitions, Renegotiation, and Efficiency", joint with L. Zhang

  We study a dynamic coalition formation game with externalities and show that the timing of renegotiation can have an important implication for achieving efficiency.

- "Lucas' Counter Example Revisited", joint with Effrosyni Diamantoudi (Concordia U.)

  We show that Lucas' (1968) counter example (for the existence of von Neumann Morgenstern stable set) admits a unique stable set when indirect dominance (capturing foresight on the part of the players) is employed.

- "A Notion of Consistent Rationalizability"

  This paper ascertains how far common belief of rationality, assumed at the beginning of an extensive game, can be maintained as the game unfolds, thereby ascertaining the implications of rational behavior in an extensive game.

- "Cartel Stability in a Dynamic Oligopoly with Sticky Prices", joint with Hassan Benchekroun (McGill U.)

  We identify stable cartels in a dynamic oligopoly with sticky prices. In particular, we show that when the industry is cost efficient, the cartel of all firms is stable.

- "Credible Renegotiation and Equilibria in Infinitely Repeated Games"

    This paper addresses two issues overlooked by the literature on renegotiation proofness: the credibility of renegotiation and the behavior of partial coalitions.

- "A Simple Bargaining Solution"

    This paper offers a bargaining solution that takes fully into account the relative bargaining power of the players in a (Nash) bargaining problem.

Teaching

- Advance Game Theory, Econ 720, McGill University, 2006-2010
- Game Theory, Econ 546B, McGill University, Winter, 2004 and Winter 2005

    A game theory course open to both graduate students and advance undergraduate students (enrollment: ~40)

- Microeconomic Theory, Econ 611B, McGill University, Winter, 2004-2013

    The second in a two-course sequence in microeconomics at graduate level that focuses on economics of information and incentives (enrollment: ~20).

- Advanced Economic Theory, Econ 450D2, McGill University, Winter, 2007-2009, Econ 450D1, 2009-2013

    The second in a two-course sequence in economic theory for economics honours students. Topics covered include oligopoly, cartels and mergers, matching, coalition formation, adverse, and signalling. (enrollment: ~45).

- Microeconomic Theory, Econ 250D1, McGill University, Fall, 2003 & 2005, 2011-2013

    The first half of a two-term microeconomic theory course for the economics honours program (enrollment: ~115-160).

- Microeconomic Theory, Econ 250D2, McGill University, Winter, 2005

    The second half of a two-term microeconomic theory course for the economics honours program (enrollment: ~95).

- *Microeconomics for M.A. (Micro 2) - Economics of Information and Incentives*, Fall, 1997, 1998, 2000-2002, University of Aarhus

    A compulsory M.A. core courses with an enrollment of 30-50 students. It covers essential topics of economics of information and incentives: games of incomplete information, adverse selection, moral hazard and incentive contracting, and mechanism design (enrollment: ~40).

- *Coalition Theory* at the international summer school on "Game Theory and the Environment", September 2002, Lavagna, Italy

  A short intensive course on coalition theory for Ph.D. students (from Europe, North America and Asia) who are planing to work on applying game theory to environmental problems (enrollment: ~20).

- *Competition, Cooperative, and Strategies of Decision Making*, Fall, 2002, University of Aarhus

  An optional M.A. course covering the following topics: monopoly and imperfect competition, bargaining problems in economic environments, cooperation among rational agents (with applications to mergers, trading blocks, international environmental agreements, matching problems), social choice and public decision making (enrollment: ~20).

- *Ph.D. Microeconomics - Game Theory*, Fall, 1999 and 2000, University of Aarhus

  A compulsory course in game theory that offers an in-depth coverage of some important topics in non-cooperative and cooperative game theory. It emphasizes formal reasoning, precise definitions, and important applications (enrolment: ~15).

- *Microeconomics for MathEcon Program*, Fall, 2001, University of Aarhus

  A undergraduate course for mathematics students with a minor in economics. It covers general equilibrium, game theory and applications (enrollment: ~40).

- *Game Theory and Applications*, Spring, 1998, University of Aarhus

  An optional M.A. course. This course deals with a wide range of topics in game theory and applications: correlated equilibrium, rationalizability, repeated games, Nash bargaining solution and variants, basic notions of cooperative games (enrollment: ~20).

- *Ph.D. Microeconomics, Part II: Game Theory*, Fall 1998, University of Aarhus

  Part II of a compulsory Ph.D. course. Topics include equilibrium refinements, rationalizability and some recent developments (enrollment: ~20).

- *Statistics (honors program)*, Spring 1997, McGill University

  Second half of a core course in the undergraduate honors program. The main topic is statistical inference (enrollment: ~70).

- *Introductory Microeconomics*, Summer 1994, McGill University

  An introductory course open to students of all disciplines (enrollment: ~70).

Professional Service

Referee

Econometrica, Theoretical Economics, Journal of Economic Theory, Journal of Political Economy, Theory and Decision, Mathematical Social Sciences, Games and Economic Behavior, Economic Theory, International Journal of Game Theory, Management Science, Bulletin of Economic Research, Social Choice and Welfare, International Review of Economics and Finance, Canadian Journal of Economics, Journal of Public Economic Theory, Journal of Mathematical Economics, Games, American Economic Review

Editorial board

Theory and Decision

Academic Visits

- City University of Hong Kong, August 2007-June 2008.
- CORE, Université Catholique de Louvain, May 15 - June 25, 2002
- CODE, Universitat Autonoma de Barcelona, April 1 - May 15, 2002
- Wallis Institute of Political Economy, University of Rochester, January 17-March 27, 2002
- Queen Mary College, University of London, February 1 - April 30, 1999

Conference Presentations

- CETC, Toronto, 2006; UBC, 2011; Toronto 2012
- *Coalition Theory Network Meeting*, Venice, 2002
- *Coalition and Networks*, 2001, Warwick
- *Econometric Society Far-East Meeting*, 2009, Tokyo
- *Econometric Society European Meeting*, 1996, Istabul; 1998, Berlin; 1999, Santiago di Compostella
- *Society for the Advancement of Economic Theory Meeting*, 1999 and 2003 Rhodos; 2005 Vigo
- *International Conference on Game Theory*, 1993, 1998, 2000, 2001, 2006, 2008, Stony Brook
- *Social Choice and Welfare*, 1994, Rochester; 1996, Maastricht; 2004, Osaka
- *Summer in Tel Aviv* 1996
- *General Equilibrium Workshop* 1999, Copenhagen

- *Public Economic Theory*, 2000, Warwick; 2002, Paris; 2003, Durham; 2004, Beijing; 2006, Hanoi; 2008, Seoul; 2009, Galway; 2011, Bloomington; 2013, Lisbon
- *Congress of the Game Theory Society*, 2000, Bilbao; 2004, Marseilles
- *International Congress of Mathematicians*: Game Theory and Applications, 2002, Qingdao
- *Law and Economics*, Halkidiki, 2004
- *ASSET Meeting*, 2004, Barcelona

Seminars   U. Alabanma, U. Autonoma de Barcelona, Brown University, U. Calgary, U. Copenhagen, Columbia U., CORE, U. Essex, U. Exeter, U. London (Queen Mary), McMaster U., U. Montreal, U. Rochester, U. of York (UK), York U. (Canada), Queen's U., National University of Singapore, City University of Hong Kong