

JOINT IMPACT OF REAL AND INFORMATION ASYMMETRIES ON MARKET EQUILIBRIUM

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The basis of a classical economic theory is the assumption of a completeness and accuracy of information held by the economic agents. On the basis of this assumption, a conclusion is made about the principle possibility of rational behavior of the economic agents and achieving the Pareto efficiency. However, this assumption does not correspond to economic reality and a lot of research in the XX century were devoted to the impact of informational and other types of asymmetry in market processes. The result of this research was the first in the XXI century, the Nobel Prize in economics that was awarded Akerlof, Spence, and Stiglitz for the development of the theory of markets with asymmetric information.

Note that until now there is no single point of view on the role of asymmetric information in market processes. For Akerlof, the asymmetric information plays a negative role, prevents economic agents from making rational decisions, restricts the effective allocation of resources, and therefore needs state regulation. Another viewpoint on the role of the

asymmetric information was expressed by Hayek – the Nobel Prize winner of 1974. He believes that it is the asymmetric information that is the prerequisite for the existence of markets and profit for entrepreneurs.

In this paper, we consider a duopoly model of sellers, which compete under conditions of the impact of real and information asymmetries. The equilibrium states of Cournot and Stackelberg are determined and the influence of all asymmetries is explicitly shown.

The article is organized as follows. In Section 2 and 3 we survey briefly some related literature and statement the problem. Section 4 describes the model only at the real asymmetries of quality and location. In section 5 we introduce the Akerlof information asymmetry and analyze how it is impacted on real asymmetries and sellers profits at Cournot equilibrium. In section 6 we introduce the Stackelberg information asymmetry and analyze the impact of all asymmetries. Section 7 is dedicated to comparative analysis of the equilibria. Finally, Section 8 summarizes the results.