Tullock Contests with Asymmetric Information

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Abstract

Under standard assumptions about players $'$ cost functions, we show that a Tullock contest with asymmetric information has a pure strategy equilibrium. Moreover, when players have a common value and a common state indepen- dent linear cost function, a two player Tullock contest in which one player has an information advantage has a unique equilibrium. In this equilibrium both players exert the same expected effort, although the player with information advantage has a greater payoff and wins the prize less frequently than his op- ponent. When there are more than two players in the contest, an information advantage leads to higher payoffs, but the other properties of equilibrium no longer hold.

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