

## Abstract

This thesis focuses on the creditor coordination problem. The creditor coordination problem is a problem that arises if there are multiple creditors, which leads to herd behavior of the creditor and self-fulfilling prophecies. Theoretical framework I use for solving this is global games theory, which is a part of non-cooperative game theory. The question I ask is if there is any explanation for behavior observed in the German banking system, which contradicts previous results in global games literature. Namely the fact that the size of effect of the large creditor becomes detrimental for rolling over the debt, if size of the large creditor exceeds some optimal value. I found that any of the results do not give conclusive answer to this problem. On top of that, the result I obtained from my model suggests that the size effect of the large creditor should be even more positive. Thus I conclude that this behavior can be attributed to quasi-rents that the large creditor usurps, as was shown in the article by Hubert and Schaefer from year 2000 (see bibliography), as any supposable setup does not explain this.

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