

Joel Sobel
Spring 2009

Economics 201: Persuasion

Objectives: Econ 201 (last half) is an advanced elective in behavioral game theory. The topic is models of communication with an aim towards understanding conditions under which strategic informations can (and cannot) effectively exchange information. I hope to discuss the structure of communication between classical agents, incentives for acquisition of information, the design of good communication environments, and the ways in which behavioral biases or limited rationality may influence decision making.

Organization: The class meets Monday evenings from 5:00-8:00 PM. We will not meet on Monday, May 25 (Memorial Day). Instead, we will meet on Tuesday, May 26 from 5:00-8:00 PM.

My plan is to divide each class session into three parts. In the first part, I will introduce new material. In the second part, we will discuss problems motivated by the material. In the final part, students will present articles from the reading list. These boundaries will blur.

Requirements and Grading: Your grade for the course will be an equally weighted average of the grades assigned by Crawford (you did great) and by me (I hope you do as well). For my portion of the class you have two formal and two informal requirements. The formal requirements are to make an in-class presentation of an article from the reading list. To the extent possible, I hope that you can act as a discussion leader rather than a lecturer. I plan to devote roughly four hours of class time to these presentations. If academic hours really are 55 minutes long, this means that each of the ten registered students is responsible for 22 minutes. I would be happy if students worked together on this part of the class. To make this work, we will discuss and resolve a long list of logistical problems in the last hour of today's class.

The second formal requirement is to write a referee report on a paper on the course reading list. I would like students to work independently. The report should present a brief summary of the main contributions of the paper and identify its contributions. It should also discuss alternative ways to approach the problem, deficiencies in the model, or possible extensions. A target length for this project is three pages (in the font and spacing of this outline), but three pages is only a guide. This project is due on June 5, 2009 (Friday of tenth week).

Please contact me to schedule your presentation and get an ok on your topics.

The informal requirements are to prepare in advance and actively participate in discussions.

Office Hours: I encourage you to talk to me about course material. I have office hours on Tuesday and Thursday mornings from 10-11, but I will be available at other times.

References

Basics

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Twenty-First Century Cheap Talk

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Networks

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- [18] Jeanne Hagenbach and Frédéric Koessler. Strategic communication networks. Technical report, Université de Paris I, 2008.

Behavioral Approaches

- [19] Enriqueta Aragonès, Itzhak Gilboa, Andrew Postlewaite, and David Schmeidler. Fact-free learning. *American Economic Review*, 95(5):1355–1368, December 2005.
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Verifiable Information

- [25] Wioletta Dziuda. Strategic Argumentation. Technical report, Northwestern MEDS, 2008.
- [26] Jacob Glazer and Ariel Rubinstein. On the optimal rules of persuasion. *Econometrica*, 72(6):1715–1736, 2004.
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Mechanism and Organizational Design

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Committees and Deliberation

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