GAME THEORY: COMMUNICATION AND INFORMATION

Class Description
Most of economics consider an agent’s behavior to be driven by preferences and information. If we wish to influence the agent’s choice, then there are two ways of doing so. The first one is to affect incentives by using contingent rewards and punishments (contract or mechanism design). The second one is to provide information (persuasion or information design). This course mainly surveys the recent developments in the growing literature about Bayesian persuasion and information design, but we will also cover some classic results from information theory as well as a variety of applications in finance, industrial organization, labor and personnel economics, law and economics, and political economy. If time permits, we will review some seminal papers in the literature of cheap talk and disclosure. The course is designed for PhD students who are interested in either doing theoretical research in related topics or receiving formal training to develop modeling skills for applied work.

Class Requirements
There will be 3 problem sets. The course is therefore reading-intensive Grades for the class will be based on:

- class participation
- two problem sets
- a class presentation
- a referee report

Class Logistics
The class meets on TBA at TBA.

Contacting Us
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Background Reading

Tentative Schedule

1. Information Theory

2. Concavification Approach

3. Multiple Senders Persuasion

Papers marked with (*) will be covered in lectures.
4. On the Commitment Assumption
   E. Lipnowski, Elliot, Doron Ravid, and Denis Shishkin. "Persuasion via weak institutions." (2020)

5. Posterior-Mean Approach

6. Information and Pricing

7. Persuasion with Private Information


8. Information Design Approach

9. Information Design and Political Economy

10. Dynamic Information Design
Papers for Student Presentation

B. Georgiadis, George, and Balazs Szentes. *Optimal monitoring design*. 2020, Econometrica
E. Halac, Marina, Elliot Lipnowski, and Daniel Rappoport. “Rank Uncertainty in Organizations.” 2019