

**Initial Syllabus for Econ 8000-004**  
**Strategic Information Acquisition and Transmission**  
**August 18, 2022**

**Professor.** Steve Matthews, stevenma@econ.upenn.edu.

**Class Hours.** Tuesdays and Thursdays, 10:15-11:45 am, room TBA.

**Office Hours.** Mondays, 11-12 am in 618 PCPSE, or by appointment.

**Description.** This is a half-semester course covering the topics in microeconomic theory described below. It is designed for economics Ph.D. students in their second or third year, and is intended to get them thinking about research topics that are currently of interest in the profession. The course methodology will consist primarily of the presentation and discussion of classic and recent articles.

**Evaluation.** Grades will be based equally on (1) presentations of articles; (2) one homework assignment, and (3) your choice of either a research proposal or a referee report on a paper not presented in class.

**Topics.** The *tentative* list of topics is (1) cheap talk, (2) orderings of information structures and the value of information, (3) Bayesian persuasion, and (4) information acquisition. Each of these could easily fill the entire half semester, so we will be very selective and not at all comprehensive. The papers to be explicitly covered in class are those with an asterisk (\*).

## **Topic 1: Cheap Talk**

### **Cheap talk survey**

Sobel, Joel (2013), "Giving and Receiving Advice," *Advances in Economics and Econometrics, Tenth World Congress*, ed. D. Acemoglu, M. Arellano, and E. Dekel, Cambridge Univ. Press, 305-341. Canvas.

### **One-dimensional cheap talk**

\* Crawford, V. and J. Sobel (1982), "Strategic Information Transmission," *Econometrica*, 52(6), 1431-1451.

Green, J. and N. Stokey (2007), "A Two-Person Game of Information Transmission," *Journal of Economic Theory*, 127 (1), 90-104.

### **Multidimensional cheap talk**

Krishna V. and J. Morgan (2000), "A Model of Expertise," *Quarterly Journal of Economics*, 116(2): 747-775.

\* Battaglini, M. (2002), "Multiple Referrals and Multidimensional Cheap Talk," *Econometrica*, 70(4): 1379-1401.

\* Chakraborty, A., and R. Harbaugh (2010): "Persuasion by Cheap Talk," *American Economic Review*, 100(5), 2361-82.

Levy, Gilad. and Ronny Razin (2007), "On The Limits of Communication in Multidimensional Cheap Talk: A Comment," *Econometrica*, 3, 885-894.

\* Ambrus, A., and S. Takahashi (2008): "Multi-sender Cheap Talk with Restricted State Space," *Theoretical Economics*, 3 1-27.

- Meyer, Margaret, Ines Moreno de Barreda and Julia Nafziger (2013), “Robustness of full revelation in multidimensional cheap talk,” Oxford University, mimeo.
- Chakraborty, A., and R. Harbaugh (2007): “Comparative Cheap Talk,” *Journal of Economic Theory*, 1, 70–94.
- McGee, Andrew and Huanxing Yang (2013), “Cheap talk with two senders and complementary information,” *Games and Economic Behavior*, 79, 181-191.
- Cai, H. and J. T. Wang (2006), “Overcommunication in Strategic Information Transmission Games,” *Games and Economic Behavior*, 56, 7-36.
- Che, Y.-K., W. Dessein, and N. Kartik (2013): “Pandering to Persuade,” *American Economic Review*.
- Alonso, Ricardo, Wouter Dessein, and Niko Matouschek (2008), “When Does Coordination Require Centralization?” *American Economic Review*, 98, 145-179.
- Ambrus, Attila, Eduardo Azevedo, and Yuichiro Kamada (2013), “Hierarchical Cheap Talk,” *Theoretical Economics*, 8 (1), 233 - 261.
- Goltsman, M., and G. Pavlov (2011), “How to Talk to Multiple Audiences,” *Games and Economic Behavior*, 72 (1), 100–122.
- Hagenbach, Jeanne, Frederic Koessler (2010), “Strategic Communication Networks,” *Review of Economic Studies*, 77, 1072-1099.

### **Dynamic cheap talk**

- Krishna, V. and J. Morgan (2004), “The Art of Conversation - Eliciting Information from Experts through Multi-stage Communication,” *Journal of Economic Theory*, 117(2): 147-179.
- Renault, J., Solan, E. and N. Vieille (2013), “Dynamic Sender-Receiver Games,” *Journal of Economic Theory*, 148, 502-534.
- Golosov, Mikhail, Vasiliki Skreta, Aleh Tsyvinski, and Andrea Wilson (2014), “Dynamic Strategic Information Transmission,” *Journal of Economic Theory*, 151, 304-341.
- Aumann, R., and S. Hart (2003), “Long Cheap Talk,” *Econometrica*, 71(6), 1619-1660.
- Forges, F. and F. Koessler (2008a), “Multistage communication with and without verifiable types,” *International Game Theory Review*, 10 (2), 145-164.
- Forges, F. and F. Koessler (2008b), “Long Persuasion Games,” *Journal of Economic Theory*, 143 (1), 1-35.

### **Cheap talk refinements**

- Farrell, J. (1993), “Meaning and Credibility in Cheap-Talk Games,” *Games and Economic Behavior*, 5(4): 514-531.
- \* Kartik, N. (2009), “Strategic Communication with Lying Costs,” *Review of Economic Studies*, 4, 1359-1395.
- Kartik, N., M. Ottaviani, and F. Squintani (2007): “Credulity, Lies, and Costly Talk,” *Journal of Economic Theory*, 134(1), 93–116.
- Matthews, S. A., M. Okuno-Fujiwara, and A. Postelwaite (1991), “Refining Cheap-Talk Equilibria,” *Journal of Economic Theory*, 55(2): 247-273.
- \* Chen, Y., N. Kartik, and J. Sobel (2008): “Selecting Cheap-Talk Equilibria,” *Econometrica*, 76, 117-136.

### **Cheap talk with information acquisition**

- \* Argenziano, Rossella, Sergei Severinov, and Francesco Squintani (2016), “Strategic Information Acquisition and Transmission,” *American Economic Journal: Microeconomics*, 8(3): 119–155.

### **Very recent cheap talk work**

Antic Nemanja, Archishman Chakraborty, and Rick Harbaugh (2022), “Subversive Conversations,” working paper.

### **Topic 2: Information Orders**

### **Topic 3: Bayesian Persuasion**

### **Topic 4: Information Acquisition**