Logistics

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

Class Hours. Tuesdays and Thursdays, 10:15-11:44 am, in 510 PCPE.

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

Description. This is a half-semester microeconomic theory course, designed primarily for second-year Ph.D. students. It will focus on research articles, both older foundational and more recent contributions, on a subset of the topics under the rubric of “strategic information transmission.” See below. The format will be similar to that of a reading group: I’ll start the ball rolling for each topic, but subsequently we will all be presenting and discussing papers in a round robin fashion.

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

Strategic Information Transmission

“Strategic Information Transmission” occurs when agents (senders) in a game or market either acquire or are endowed with private information that they or others wish would be transmitted to other agents (receivers). The vast literature on this has many overlapping strands, and ranges from pure theory to concrete applications. The cheap talk strand studies situations in which messages do not directly enter payoff functions and senders are able to send any message they want, regardless of the nature of their private information. A complimentary strand studies situations in which information is hard (certifiable, verifiable, evidence). Two other strands of the literature study situations in which either receivers or senders can commit ex ante to decision rules: in delegation models, receivers commit to rules that will map received messages into actions, whereas in Bayesian persuasion models, senders commit to rules that will map their information into probability distributions over messages.

In this course we shall focus primarily on non-commitment models, i.e., cheap talk and hard information models. That said, there is overlap, and we may touch on a few ideas from the Bayesian persuasion and mechanism/information design literatures. These topics are dealt with more intensively in Econ 8000s being taught later this year.

The following lists contain papers that are seminal, or important, or easy introductions to the ideas, or ones I want to read. Only some of these papers will be presented in class. They are – very roughly – in the order in which they will be discussed. Warning: everything is subject to change!

1. Cheap Talk Readings

Surveys


Seminal Article

Application

Multidimensional

Dynamic


Refinements


Clark, Daniel (2021), Robust Neologism Proofness*,” working paper, UCLA.

Reputational


Argumentation


Miscellaneous

2. Certifiable (Hard) Information