

## Syllabus

[cmcd.economia@fgv.br]

**Course:** Topics in Economic Theory

**Professor:**

### 2018 FIRST SEMESTER

#### PROGRAM

Information Design: Communication and Persuasion. This is an advanced course in economic theory. We will cover information design, communication and persuasion in strategic settings.

#### BIBLIOGRAPHY

Below is a tentative sequence of topics and relevant papers. Other papers will be added to the list. There will not be enough time to cover all the papers in this list. The plan is to cover one or at most two papers each class. We will meet for 14 classes. We will divide the course in lectures and presentations by students in which we will discuss the papers presented. Ideally, students should present something related to information design, but even if it is only vaguely related to the topic, it might be suitable as well, we will discuss case by case.

##### 1- Cheap Talk and Reputation

Crawford, Vincent and Joel Sobel (1982). .Strategic Information Transmission..Econometrica, 50, pp. 1131-1151.  
Sobel, J. (1985), .A Theory of Credibility,. Review of Economic Studies, 52(4):557-573.  
R. Benabou, and G. Laroque, .Using Privileged Information to Manipulate Markets: Insiders, Gurus, and Credibility,. Quarterly Journal of Economics, 921-58, (1992).  
Morris, S. (2001), .Political Correctness,. Journal of Political Economy, 109(2):231-265.

##### 2- Persuasion

Kamenica, Emir and Matthew Gentzkow (2011). .Bayesian Persuasion.. American Economic Review, 101, pp. 2590-2615.  
Kamenica, Emir and Matthew Gentzkow (2014). .Costly Persuasion..American Economic Review, 104, pp. 457-62.  
Kamenica, Emir and Matthew Gentzkow (2017). .Competition in Persuasion..Review of Economic Studies, 84, pp. 300-322.  
Kamenica, Emir and Matthew Gentzkow (2017). .Disclosure of Endogenous Information..Economic Theory Bulletin, 5, pp. 47-56.  
Rayo and Segal (2010). .Optimal Information Disclosure.. Journal of Political Economy, 118, pp. 949-987.  
Alonso, Ricardo and Orlidon Camara (2016). .Persuading Voters..American Economic Review, 106, pp. 3590-3605.

##### 3- Information Design

Bergemann, Dirk and Stephen Morris. Information design, Bayesian persuasion, and Bayes correlated equilibrium. American Economic Review, 106(5):586. 91, May 2016.  
Bergemann, Dirk and Stephen Morris. Information design: A unifie perspective. Working Paper, 2017.  
Bergemann, Dirk, Benjamin Brooks, and Stephen Morris. .First Price Auctions with General Information Structures: Implications for Bidding and Revenue..Econometrica 85, no. 1, 2017.  
Navin Kartik Marina Halac and Qingmin Liu. Contests for experimentation. Journal of Political Economy, 125(5):1523.1569, 2017.

**4- Design of Credit Ratings and Recommender Systems**

Ekmekci, Mehmet. Sustainable reputations with rating systems. Journal of Economic Theory, 146(2):479.503, 2011.

V Bhaskar and Caroline Thomas. The design of credit information systems. Working paper, University of Texas, Austin, 2017.

Che, Yeon-Koo and Johannes Horner, Recommender Systems as Incentives for Social Learning, Quarterly Journal of Economics, forthcoming.

Horner, Johannes and Nicolas S Lambert. Motivational ratings. Working Paper, 2016.

Kovbasyuk, Sergei and Giancarlo Spagnolo. Memory and markets. Working Paper, 2016.

Erik Lillethun. Optimal information design for reputation building. Working Paper, 2016.

Alex Smolin. Optimal feedback design. Working Paper, 2015.

**5- Communication and Cooperation in Dynamic Games**

Anderlini, Luca, Dino Gerardi and Roger Lagunon "Communication and Learning," Review of Economic Studies, 2012, 79, 419-450.

Awaya, Y. and V. Krishna: "On Communication and Collusion," American Economic Review, 106, No. 2, 285-315, 2016.

Krishna, V. and J. Morgan .The Art of Conversation - Eliciting Information from Experts through Multi-stage Communication, Journal of Economic Theory, 117(2): 147-179, 2004.

Sanktjohanser, Anna "Endogenous Monitoring in a Partnership Game", working paper, 2017.

**6- Dynamic Persuasion**

Ely, Jeffrey .Beeps..American Economic Review, 107, pp. 31-53, 2017.

Doval, Laura and Jeffrey Ely .Sequential Information Design.. Mimeo, 2016.

**GRADING**

Evaluation: Presentations (60%) and Participation (40%). The exact details will depend on the number of students enrolled.

**PROFESSOR - EMAILS****DETAILED PROGRAM**
