

# Topics Course on developments in the theory of strategic information transmission

University of Bonn  
Dezsó Szalay

This course studies models of strategic communication. Some papers are included because they provide tools, some because they provide ideas.

The aim of the course is to generate research ideas and/or to translate research ideas using strategic information transmission into research papers by providing the necessary tools.

Participants should plan to present two papers over the semester. Whiteboard presentations are welcome but standard beamer presentations are welcome too. In addition, participants write two reports – one page each – on two papers that others present during the semester.

At the end of the term, participants submit an idea for a project, which includes a description of the problem, its relevance, relation to the literature, and some basic results that one can get within the structure. It is not required that the project is carried through to the point of a publishable paper.

I start the course with my take on the classic of the literature:

- Crawford, V. and Sobel, J. (1982) “Strategic Information Transmission” Vol. 50, (No. 6) pp. 1431-1451
- Szalay, D. (1982) “Strategic Information transmission and stochastic orders”

Then I present two papers on a particularly tractable environment that I have developed in joint work with Inga Deimen (University of Arizona):

- Deimen, I, and Szalay, D. (2022) “Communication in the Shadow of Catastrophe”, working paper
- Deimen, I, and Szalay, D. (2019) “Delegated Expertise, Authority, and Communication” American Economic Review 109(4), 1349-74

The framework we describe in this paper allows us to study the impact of changes of the distribution on equilibria and expected utility in the communication game. We exploit this to do comparative statics with respect to the riskiness of the environment and to study endogenous information resulting from optimal information acquisition by the sender.

I think this environment is very tractable and lends itself to study further questions.

The following is a suggested reading list. It includes some, but not all, of my favourite papers in the literature. If your preferred paper is not among the list, we may be able to add it, depending on the number of participants.

#### Refinements in cheap talk:

- Chen, Y., Kartik, N., and Sobel, J. (2008) Selecting Cheap Talk Equilibria *Econometrica*, Vol. 76, No. 1 (January, 2008), 117–136
- Gordon, S., Kartik, N., Lo, M., Sobel, J. and Olszewski, W. (2022) Effective Communication in Cheap-Talk Games

#### Communication protocols

- Aumann, R. and Hart, S. (2003) Long cheap talk, *Econometrica* Vol. 71, No. 6, Nov., 2003
- Alonso and Rantakari (2015) The Art of Brevity, WP LSE
- Goltsman, Hoerner, Pavlov, Squintani (2009), Mediation, Arbitration, and Negotiation, *Journal of Economic Theory*, 144(4): 1397-1420

#### Language

- Sobel (2015) Broad Terms and Organizational Codes, WP UCSD
- Crémer, Jacques and Garicano, Luis and Prat, Andrea (2007) Language and the theory of the firm *Quarterly Journal of Economics*, 122 (1). 373-407

#### Lying and deception

- Sobel, J. (2020) Lying and Deception in Games, *Journal of Political Economy*, Vol 128 (3)

#### A dynamic story of non(conversation)

- Antic, N., Chakraborty, A. and Harbaugh, R. (2022) Subversive Conversations, working paper.

#### Political Economy

- Chakraborty, A. Ghosh, P, and Roy, J. (2020) Expert-Captured Democracies, *American Economic Review*, 110, 1713-51.

#### Organizations

- Alonso, R. Dessein, W. and Matouschek, N. (2008) "When does Coordination require Centralization?" *American Economic Review*, 98(1), 145-179.

Multidimensional cheap talk

- Meyer, M., Moreno de Barreda, I., and Nafziger, J. (2019) “Robustness of full revelation in multisender cheap talk” *Theoretical Economics*

Transparent motives

- Lipnowski, E., and Ravid, D. (2020), Cheap talk with transparent motives, *Econometrica*, Vol. 88, (No. 4), 1631–1660

Success stories (in addition to those above)

- Voss, P. Kulms, M. (2022) Separating Ownership and Information *American Economic Review* volume 112, (issue 9), pages 3039-62.
- Kreutzkamp, S. (2022) Endogenous Information Acquisition in Cheap talk games, working paper BGSE

More success stories to be added soon!

The course will start in week 2 of the term, on Monday October 17. The first meeting will be held via zoom, Zoom-Meeting beitreten

<https://uni-bonn.zoom.us/j/65264776721?pwd=R21HK0R5S1dkYjk1VllyMVpzcUJqZz09>

Meeting-ID: 652 6477 6721  
Kenncode: 548678

The following meetings will be in person.

To express your interest in the course, please send me an email (szalay(at)uni-bonn.de) or just drop by for the first meeting on October 17.

Dezsö Szalay