

Economic Theory, Decision Theory and Experimental Economics
Seminar

Full Implementation and Belief Restrictions

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12:30pm Room 3-E4-SR03 Via Röntgen 1 Milano

Abstract

We introduce a framework to study the problem of full implementation via the design of transfer schemes, under general restrictions on agents' beliefs. Our construction suggests a simple design principle, in which belief restrictions are used to weaken the strategic externalities of the baseline belief-free transfers, so as to induce mechanisms that ensure uniqueness.

Importantly, our results require minimal restrictions on agents beliefs, specifically on moments of the distribution of types, which arise naturally in applications.

Keywords: Full Implementation, Robust Mechanism Design, Rationalizability, Interdependent Values, Moment Conditions, Belief Restrictions, Uniqueness, Strategic Externalities

Joint with Mariann Ollár (University of Pennsylvania)