Economic Theory, Decision Theory and Experimental Economics Seminar

Mechanism Design with Evidence: Commitment and Robustness

Elchanan Ben-Porath

Hebrew University

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Abstract

We show that in a class of I-agent mechanism design with evidence there exists problems an optimal mechanism that is deterministic, satisfies robust incentive an outcome that compatibility, and has can be implemented even when the principal cannot commit. That is, the optimal outcome is implemented in a Perfect Bayesian equilibrium of a disclosure game where first the agents make cheap talk statements and present evidence and then the principal chooses a social alternative.

Department of Decision Sciences Department of Economics

Via Röntgen 1 - 20136Milano

Tel. 02 5836.5632 Fax 02 5836.5630