

Department of Decision Sciences

Occasional Seminar

Communication with Unknown Perspectives

Muhamet Yildiz
MIT

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

Abstract

Consider a group of individuals with unobservable perspectives (subjective prior beliefs) about a sequence of states. In each period, each individual receives private information about the current state and forms an opinion (a posterior belief). She also chooses a target individual and observes the target's opinion. This choice involves a trade-off between well-informed targets, whose signals are precise, and well-understood targets, whose perspectives are well known to the observer. Observing an opinion provides information not just about the current state, but also about the target's perspective; hence observed individuals become better-understood over time.

We identify a simple condition under which long-run behavior is history-independent. When this condition fails, a broad range of observational networks can all emerge with probative probability, including opinion leadership, information segregation, and static graphs with complex structures.

We characterize the size and structure of such networks, and consider applications to the law of the few and own-field bias.