

Information and Strategic Behaviour

- Lecture 1. Bayesian Games and coordination
 1. Information and coordination, introduction to Global Games.
 2. Application: Unique equilibrium in models of self-fulfilling bank runs.
- Lecture 2. Signaling Games and equilibrium refinements.
 1. Spence's model revisited, Intuitive Criterion, Cheap Talk.
 2. Application: Image concerns.
- Lecture 3. Designing information structures.
 1. Rational Inattention.
 2. Bayesian Persuasion.

Additional readings:

Bénabou, R. and Tirole, J., 2006. Incentives and prosocial behavior. *American economic review*, 96(5), pp.1652-1678.

Bénabou, R. and Tirole, J., 2024. Laws and Norms. Forthcoming *Journal of Political Economy*.

Adriani, F. and Sonderegger, S., 2019. A theory of esteem based peer pressure. *Games and Economic Behavior*, 115, pp.314-335.

I-K. Cho and D. Kreps (1987), "Signalling Games and Stable Equilibria," *Quarterly Journal of Economics* 102, 179-221.

V. Crawford and J. Sobel (1982), "Strategic Information Transmission," *Econometrica* 50, 1431-1451.

D. Kreps, P. Milgrom, J. Roberts and R. Wilson (1981), "Rational Cooperation in the Finitely Repeated Prisoners Dilemma," *Journal of Economic Theory* 27, 245-252.

S. Morris and H. Shin (1998), "Unique Equilibrium in a Model of Self-Fulfilling Currency Attacks," *American Economic Review* 88, 587-597.

S. Morris and H. Shin (2003) "Global games: Theory and applications," In *Advances in Economics and Econometrics: Theory and Applications, Eighth World Congress, Volume 1* (pp. 56-114). Cambridge University Press.

Kamenica, E. and Gentzkow, M., 2011. Bayesian persuasion. *American Economic Review*, 101(6), pp.2590-2615.

Maćkowiak, B., Matějka, F. and Wiederholt, M., 2023. Rational inattention: A review. *Journal of Economic Literature*, 61(1), pp.226-273.

Useful textbooks to refresh your Game Theory: D. Fudenberg and J. Tirole (1991) *Game Theory*. *MIT Press*
M.J. Osborne (2009). *An introduction to game theory* (International Edition). New York: *Oxford university press*.