

English Abstracts

Pavel Ilinov

1 First Chapter

In the first chapter we consider two types of models: (i) a rational inattention problem and (ii) a conformity game, in which fully informed players find it costly to deviate from average behavior. We show that these problems are equivalent to each other, both from the perspective of the participant and the outside observer: each individual faces identical trade-offs in both situations, and an observer would not be able to distinguish the two models from the choice data they generate. We also establish when individual behavior in the conformity game maximizes welfare.

2 Second Chapter

The second chapter shows that the principal can strictly benefit from delegating a decision to an agent whose opinion differs from that of the principal. We consider a “delegated expertise” problem in which the agent has an advantage in information acquisition relative to the principal, rather than having preexisting private information. When the principal is ex ante predisposed towards some action, it is optimal for her to hire an agent who is predisposed towards the same action, but to a lesser extent, since such an agent would acquire more information, which outweighs the bias stemming from misalignment. We show that belief misalignment between an agent and a principal is a viable instrument in delegation, performing on par with contracting and communication in a class of problems.

3 Third Chapter

The third chapter extends the classical search framework and allows the decision-maker to choose information endogenously and flexibly. We consider a problem in which the manager chooses the best among two ex ante identical candidates. The manager learns the qualities of candidates sequentially and can choose the information structure by herself. We show that the manager may learn different information about candidates, but this does not lead to discrimination against a candidate: she chooses them uniformly on average. We connect our findings with the serial-position effect from the psychological literature. Also, we show

that our results extend to a more general framework with two candidates. Including an additional candidate in our model creates discrimination against the last candidate.