

"Bayesian Persuasion with Heterogeneous Audience"

The abstract is:

We study Bayesian persuasion by an information monopolist (government); the novelty of the model is heterogeneity of the audience. We establish equivalence of persuasion by targeted (private) and public communication. We also provide conditions under which heterogeneity of the audience forces the monopolist to fully disclose information. Our results underscore the importance of audience diversity and privacy of individual position as safeguards against censorship. From the methodological perspective, the paper solves a novel mechanism design problem without transfers in which information serves as a screening tool, shows that the problem is isomorphic to that of Holmstrom's optimal delegation, and draws a technical analogy with the classic monopoly problem.

Tymofiy Mylovanov

Department of Economics
University of Pittsburgh
4714 Posvar Hall
Pittsburgh, PA 15260