

University of Brasilia 

Economics and Politics Research Group (CNPq)

Research Center on Economics and Finance – CIEF
Research Center on Market Regulation – CERME
Research Lab. on Political Behavior, Institutions and Public Policy – LAPCIPP
Master's Program in Public Sector Economics – MESP
Economics Department Graduate Program – Pós-ECO

First International Workshop in Economics & Politics – FIWEP
Fourth Annual Meeting of the Economics and Politics Research Group (EPRG)
June 6-10, 2016, FACE GREEN Auditorium, University of Brasilia

Mini-course 1: “Theory of Games and Signals”

Prof. Jorge Streb, UCEMA

Course description:

This course goes over the basic solution concepts in game theory (Nash equilibrium and its refinements). The particularity of the course is the focus on the issue of how beliefs can be restricted. Restrictions on out-of-equilibrium beliefs are analyzed in detail, but how beliefs on the equilibrium path can be restricted is also analyzed.

Program:

1. Nash equilibrium and Bayes Nash equilibrium
 - Nash equilibrium with imperfect information
 - Beliefs in Nash I: the highly rationalistic and idealizing interpretation (rational expectations)
 - Beliefs in Nash II: the mass action interpretation (adaptive expectations), antecedents in Cournot and use in evolutionary game theory (evolutionary stable strategies)
 - Bayes Nash equilibrium with incomplete information: the role of common priors
2. Subgame perfect Nash equilibrium and perfect Bayesian equilibrium
 - commitment and signals in Schelling: reaching out to understand the world with the strategy of conflict
 - Myerson: how Schelling inspired solution concepts in later literature
 - incredible threats in Selten: subgame perfection
 - signals: perfect Bayesian equilibrium
 - cheap talk games: when signals are payoff-irrelevant

3. Alternative solution concept for language games: meaningful talk
 - comprehensible and relevant messages
 - restricting beliefs on the equilibrium path: truth and trust
 - credibility as a characteristic of equilibrium messages
 - meaningful talk equilibrium as an alternative to perfect Bayesian equilibrium in language games
4. Bilateral communication and screening
 - introducing bilateral communication with an initial statement by the uninformed player
 - endogenizing out-of-equilibrium beliefs
 - linking signaling to screening
5. Equilibrium refinement for perfect Bayesian equilibria
 - credible signals
 - self-selection condition: relation to weak announcement proofness in Matthews, Okuno-Fujiwara and Postlewaite
 - iterative self-selection condition

Mini-course 2: “**Executive Politics in the United States**”

Prof. David Lewis, Vanderbilt University

Course description:

The executive branch is the nexus of policy making in the Post-War period in the United States. The vague and sometimes conflicting policy mandates of the legislature, the chief executive, and courts get translated into real public policy in the bureaucracy. The course focuses on executive branch policy making and performance. Some specific topics include the politics of agency design; strategies of bureaucratic control such as politicization and centralization (causes and consequences); underappreciated forms of administrative power; and contemporary techniques for measuring and improving agency performance.

Program:

1. The Bureaucratic Control Problem in the United States
 2. Politicization of the Bureaucracy in the United States
 3. Tools of Presidential Control
 4. The Effects of Patronage and Politicization on Bureaucratic Personnel and Performance
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