Reading Group in Advanced Macroeconomics: 
Dynamic Mechanism Design and Bayesian Persuasion
Macroeconomics with Incomplete Information
Public Finance and Behavioral Macroeconomics

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The Reading Group will cover several related topics. 

*Topic I is about information economics.* We will investigate the consequences of limited commitment on optimal mechanism design and its relationship with the Bayesian persuasion literature and optimal taxation

*Topic II is about incomplete information in macroeconomics.* We will cover the theory of global games and beauty context and its applications to macroeconomics (news, noise and confidence shocks).

*Topic III is about behavioural economics and information.* We will cover a few topics in the new growing field of behavioural macroeconomics and address the issue of optimal taxation in this context.

*Requirements:* The participants should: (i) come to virtually all classes; (ii) present and discuss papers; (iii) actively participate in all classes with questions and constructive critiques. You can also present your own research: the paper you are working on.

*Notes on the syllabus:* All papers listed below (and more) can be presented in class. Those with an arrow are mainly for reference. The are useful to place the papers in the literature but some sections (or book chapters) can be presented as well. Students can also present their own projects.


Laura Doval and Vasiliki Skreta: ‘Mechanism Design with Limited Commitment,’ mimeo.


Ostrizek F. and D. Shiskin: ‘Screening with Frames,’ mimeo.

Sylverie Herbert: ‘State-Dependent Central Bank Communication with Heterogeneous Beliefs,’ mimeo.


M. Halac, P. Yared (2014): ‘Fiscal Rules and Discretion under Persistent Shocks’;


S. Esteban, E. Miyagawa (2004): ‘Optimal Menu of Menus with Self-Control Preferences’;

• M. Brunnermeier, A. Simsek, W. Xiong (2014): ‘A Welfare Criterion for Models with Distorted Beliefs’;


• P. Bond, G. Sigurdsson (2018): ‘Commitment Contracts’;


• Hendren, Nathaniel et al., ‘The inequality deflator: Interpersonal comparisons without a social welfare function,’ 2014.