

## Mini-workshop on Economic Theory

Dipartimento di Scienze Economiche  
Università degli Studi di Padova  
June 27, 2008  
Palazzo Levi Cases  
Seminar Room – I floor

**10.15-11.30 Arunava Sen (Indian Statistical Institute)**

### **Ranking completely uncertain decisions by the uniform expected utility criterion**

***Abstract** We provide an axiomatic characterization of a family of criteria for ranking completely uncertain decisions. A completely uncertain decision is described by the set of all its consequences (assumed to be finite). Each of the criterion characterized can be thought of as assigning to all consequences of a decision an equal probability of occurrence and as comparing decisions on the basis of the expected utility of their consequences for some utility function.*

*discussant Fulvio Fontini*

**11.30-11.45 coffee break**

**11.45-13.00 Dilip Mookherjee (Boston University)**

### **Mechanism Design with Limited Communication: Implications for Decentralization**

***Abstract** We develop a theory of mechanism design in a principal-multiagent setting with private information, where communication involves costly delay. The need to make production decisions within a time deadline prevents agents from communicating their entire private information to the principal, rendering revelation mechanisms infeasible. Feasible communication protocols allow only finite number of possible messages sent in a finite number of stages. An extension of the 'Revenue Equivalence Theorem' is obtained, and used to show that an optimal production allocation can be computed by maximizing virtual profits of the Principal subject to communication constraints alone. In this setting decentralization of production decisions is (strictly) valuable, while decentralizing authority to contract is not.*

*discussant Antonio Nicolò*