



Nanyang Technological University

DIVISION OF ECONOMICS

Seminar Series

The Division of Economics and Economic Growth Centre invite you to a seminar by Assistant Professor Wooyoung LIM

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- Speaker** : **Assistant Professor Wooyoung LIM**
Department of Economics
Hong Kong University of Science and Technology
- Topic** : **"The Informational Theory of Legislative Committees (with Marco Battaglini, Ernest K. Lai, and Joseph Tao-Yi Wang)"**
- Chairperson** : **Assistant Professor AU Pak Hung**
Division of Economics
School of Humanities & Social Sciences
- Date** : **2 November 2016 (Wednesday)**
- Time** : **2:30pm to 3:30pm**
- Venue** : **HSS Seminar Room 5 (HSS 04-89)**
Nanyang Technological University
School of Humanities and Social Sciences
14 Nanyang Drive
Singapore 637332

About the Speaker:

Dr Wooyoung Lim is an assistant professor at Hong Kong University of Science and Technology. He received his PhD in economics from University of Pittsburg. His research focuses on game theory and experimental economics, especially on issues related to communication. His work has been published by Games and Economic Behavior and Journal of Economic Behavior and Organization.

Abstract:

We experimentally investigate the informational theory of legislative committees 1st proposed by Gilligan and Krehbiel [1987, 1989]. Two committees provide policy-relevant information to a legislature under two different procedural rules. Under the open rule, the legislature is free to make any decision; under the closed rule, the legislature is constrained to choose between a committee's proposal and an exogenous status quo. Our experiment shows that even in the presence of conflicts of interests, legislative committees help improve the legislature's decision by providing useful information. We further obtain evidence in support of three theoretical predictions: the Outlier Principle, according to which more extreme preferences of the committees reduce the extent of information transmission; the Distributional Principle, according to which the open rule is more distributionally efficient than the closed rule; and the Restrictive-rule Principle, according to which the closed rule better facilitates the informational role of legislative committees. We, however, obtain mixed evidence for the Heterogeneity Principle, according to which more information can be extracted in the presence of multiple committees with heterogeneous preferences. Our experimental findings provide overall support for the equilibrium predictions of Gilligan and Krehbiel [1989], some of which have been controversial in the literature.

Reservation:

Admission is free. Please reply to h-dae@ntu.edu.sg to confirm your attendance.