Heller Lecture - Prof. Drazen Prelec

June 9, 2015

On the topic of "Rewarding honesty when truth is not verifiable"

Heller Lecture Series in Computational Neuroscience

Prof. Drazen Prelec
Sloan School of Management, MIT

On the topic of
"Rewarding honesty when truth is not verifiable"

The lecture will be held on Tuesday, June 9, 2015 at 17:00
Location: ELSC, Silverman Bldg., 3rd wing, 6th floor

Abstract:
The problem of eliciting and aggregating information arises at several levels, including the social (wisdom-of-the-crowd) and the neural (ensemble voting). Elicitation requires incentives that will reward honest reporting of private signals. Aggregation involves selecting the best report from an entire distribution.
Galton famously proposed the “democratic” median, back in 1907. The lecture will present recent work on elicitation (Bayesian truth serum) and aggregation of individual judgments, in a setting where truth is not verifiable and prior information about individual competence is lacking. Non-verifiable domains encompass historical and artistic judgments, futuristic forecasts, as well as phenomenological “first person” descriptions of mental activity. The formal results use Bayesian game theory, and exploit information contained in predictions by individuals about how others will respond. Experimental results illustrate the approach.