(Not so) cheap talk: An interview with Joel Sobel*

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Professor Sobel, you do research on (strategic) communication, so it seems natural to start this interview with a few broad questions about this topic. First of all, what got you interested in communication earlier on in your career? In the early 1980s Vince Crawford and I worked on various models of bargaining with incomplete information. These models demonstrated that incomplete information might explain some of the breakdowns in bargaining (delays in reaching an agreement or, more generally, failure to reach an efficient agreement). We then thought that it was natural to ask: If incomplete information leads to inefficiency, when might the possibility of exchanging information freely lead to improvements? Eventually we arrived at a formulation that allowed us to identify situations in which (what is now known as) “cheap talk” may lead to improvements.

Your wife is a linguistic anthropologist and is thus also interested in languages and communication. Did you ever consider carrying out some work together? My wife has taught me what little I know about sociolinguistics, and she introduced me to the classic literature in anthropology and philosophy on language. She is an insightful critic of my own work. I acknowledge her help in several of my papers, but the questions we study and the methods we use are quite different. We haven’t collaborated on any academic research. Our twenty-one year-old son is the only lasting “product” of our collaboration.

Have your ideas and theories ever found a concrete commercial or business application? If not, would you wish they had? I am not aware of any commercial application of my ideas. I am delighted that I can think about things without being constrained by the need to come up with marketable applications. I would be even more delighted if I managed to do something that had an immediate and useful application.

You have now spent a few months in The Netherlands. Is there anything that has struck you about the Dutch way of communicating? Are there any remarkable differences between Amsterdam and Rotterdam in the way that people communicate? Everyone I meet in the Netherlands speaks essentially perfect English and switches to the language to accommodate me without apparent pain or inconvenience. People respond directly and in a helpful way to questions—although I have found sometimes that if you do not ask the right question, people will not volunteer useful relevant information. As for noticing any differences in communication styles in the two cities, I can only say that I do not have enough data to distinguish Amsterdam and Rotterdam. I have spent a lot of time as a tourist in Amsterdam, whereas in Rotterdam I spend most of my time on the ninth floor of building H. So in Rotterdam I can take advantage of being in the same profession as everyone I meet, which makes interactions more predictable.
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You gave a Tinbergen Institute course on strategic communication. Did you feel you had to tailor the way you gave this course to the Tinbergen Institute audience, compared to the way you gave similar courses to previous audiences? I consulted several local experts when planning the course, and tried to present material so that it would be useful to TI students. In the end, the material I taught was roughly on the level of what I would present to first- or second-year PhD students in the US. I failed to induce much interaction during class sessions (I talked, they listened). If I were to teach another class here, I would try to improve class participation.

More generally, do you try to tailor the way you communicate to the local audiences you meet? After all, the way we communicate is obviously part of our culture. My professional audiences have common research interests. The “culture” of the discipline (or sub discipline) structures my research presentations more than the local language or culture does.

We constantly hear about homogenization of cultures and values, and the resulting loss of local cultures. How would you describe the impact of globalization on our cultures— and thus on communication? Would you say that humanity is tending towards a single, homogeneous culture and thus a unique mode of communication? Is communication becoming more, or less, complex? How do you think the ICT developments of recent decades affect this type of communication?

While not everyone speaks English as well as the Dutch, English has become the dominant professional language for academic economists and the de facto second language of all of Europe. I am not sure what “globalization” means, but the technological changes that have lowered the cost of traveling and communicating have made it more valuable to coordinate on a common second language. There is sometimes a tension between preserving diversity of cultures and creating an environment in which coordination is possible. Here is an analogy. It helps to have homogeneous preferences for public goods; this makes it easier for people to agree what to do. It helps to have heterogeneous preferences for private goods; this creates gains from trade. In a world with public and private goods, the “optimal” distribution of preferences is not clear (nor is it a standard question for economists). Diverse cultures are a treasure that should be valued and preserved, but minority languages and cultures will always be costly to preserve and will inevitably generate coordination problems. In all likelihood we’ll see increasing pressure towards homogeneity (both because dominant cultures will be globally available and because coordination costs will make it increasingly valuable for more people to be able to be comfortable under the conventions of the dominant culture)— but we are far from arriving at a boundary solution (and I hope that we never get there).

Academics have publications as a central means of communication. You are co-editor at Econometrica. Could you give us your views on how publishing has evolved in the last few decades? For example, some claim that the number of submissions has grown faster than the number of outlets where these works can get published. Would you agree with this view? Have publications become more quantitative than in the past?

Each part of this question is empirical and I do not have the data. I’m also not sure that my editorial position gives me a better perspective than someone active in the profession. Having said that, I hazard two observations: first, that the number of people who aspire to publish in the best (say, top-five) journals seems to have increased much faster than the number of articles published in these journals, and second, that the number of places where one can publish peer-reviewed academic research in economics has increased faster than the supply of articles. By any measure, the level of sophistication expected in technical articles has increased.

Have publication requirements changed in the last few years (e.g. less normative, more positive questions, more empirics, more interdisciplinary work and so forth)? Behavioral economics (broadly defined) has become a central field. Papers that contain experimental results or use theoretical models that relax classical assumptions on behavior are quite common now— but twenty years ago they were rare.

Economists have arguably developed a set of analysis and communication tools that have allowed them to make inroads in other disciplines of the social sciences. Would you agree that economic science has been more successful in this respect than other social sciences— such as sociology or political science, for example? Do you see this as a good or bad development? Are there red lines that, in your view, economists should not cross?

Compared to other social sciences, economics has a stronger core methodology. This makes it easier to identify an application of an “economic” approach rather than, for example, a “sociological” approach. This makes the inroads that economics has made into other disciplines more visible. Attempts to apply economic thinking to a wide range of problems that were not considered to be economics (a research program that I associate with Gary Becker) have been extremely successful. Game theory is a technique for thinking about many-agent decision problems. These problems arise in economics, but they also arise in other disciplines. There are reasons why game theoretic methods fit nicely with classical economic reason, but it may still be an accident that most social scientists who use game theory are economists. From this perspective, the application of game theory to other social sciences is an example of economists making contributions into other disciplines— but let’s not confuse this necessarily with economics itself making contributions.

I do agree that economics has made more of an impact on other social sciences than vice versa, but this may not be permanent.