

Exchange Rate Models For Censorship Problems

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Full paper is available soon at <http://benjaminchiao.org/papers/censorship.pdf>

Abstracts

Censorship is prevalent but rarely studied by economists systematically. We found that setting bounds on information circulated shares striking similarities with the control of exchange rate using target zones. A wide range of scenarios is considered here as censorship where a censor, some intermediaries and receivers interact with each other strategically. A censor could be a government who suppresses a view, a mail service provider that filters spam messages, or a parent who turns off certain TV programs. Receivers could be citizens, mail readers, or kids. Intermediaries could be newspapers by formal or underground organizations, websites, or TV stations. We laid out a general framework and characterized some sufficient conditions, which allow receivers to obtain an unbiased estimation of the reality no matter where the bounds of censorship are and where the censored topic is in a single-dimensional space. Finally, we extended this baseline model to study how our main results would change when we allowed for different distributions of transmission errors, technological change in information circulation, more sophisticated intermediaries, and various belief adjustment processes.