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PERSUASION MEETS DELEGATION

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ABSTRACT. A principal can restrict an agent's information (the persuasion problem) or restrict an agent's discretion (the delegation problem). We show that these problems are generally equivalent — solving one solves the other. We use tools from the persuasion literature to generalize and extend many results in the delegation literature, as well as to address novel delegation problems, such as monopoly regulation with a participation constraint.

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