

Social Value of Government Research
and Public Announcement
~ Acquiring precise information or telling clearly? ~

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Abstract

We consider the welfare effect of the government research and public announcement in a wide class of coordination games with dispersed information. To this end, we generalize the information structure in the coordination game with dispersed information developed by Angeletos and Pavan(2007,*Econometrica*) to that used in Myatt and Wallace(2008). We show that, at least in a special case of payoff structure which is developed by Morris and Shin(2002,*American Economic Review*), the best research effort as possible and a somewhat “ambiguous” announcement maximize social welfare.