

## Should Principals Acquire Information?

Kazumi Hori (Ritsumeikan University)

Abstract Strategic information transmission between an informed agent and a principal, who can stochastically acquire the agent's private information by herself, is considered. We show that communication becomes less informative and the principal's expected utility can be worse than when she does not acquire information, because, in response to an informed principal who accurately eliminates the noise added by the agent, the agent adds further noise to achieve his self-interest. Analysis is extended to the multiagent situation, and it is found that multiple agents can be inferior to a single agent even when agents have opposing biases.