

Machine Learning and Economics

Discussion questions – Meeting #2

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Learning Equilibria in Matching Markets from Bandit Feedback

- Policy evaluations in economics typically focus on either utility, or observed outcomes.
How should we think about the objective function proposed here?
- How does this algorithm relate to price setting (tatonnement) in the Walrasian model?
- Are noisy observable measures of utility a good assumption?
How could we construct a revealed preference analog to this algorithm?
- How could distributional concerns (welfare weights) enter this algorithm?

Digital Socialism?

- 20th century debates on planning versus markets focused on difficulties of computation and data-collection.
Do we need to re-assess these debates, given new technology?
- How do existing markets aggregate information?
Via prices, or through other channels?
What are the implications?
- Is the allocation of consumer goods by a monopolistic platform based on recommender systems and predictive shipping a “market?”
- All major digital platforms are controlled by for-profit corporations.
What alternative arrangements of ownership or control would be conceivable?