The Application of Bayesian Persuasion Model on the Canadian Immigration System

Abstract

In this sender-receiver disclosure game, we consider a Canadian government in power to be the immigration agency and a sender, who can adjust the information structure on immigration. The receiver, on the other hand, is the representative of the people who we label “the government”, and they can accept or reject an immigration application. The sender has two alternating objectives, which is to admit many or less immigrants. The receiver observes the signal provided by the sender and makes a unilateral action that will affect both of their welfares. We solve and characterize the sender’s optimal signal, and we find that when the sender’s objective is to reduce the number of immigrants, their expected payoff is maximized by partial information disclosure. When their objective is to increase the number of immigrants, the optimal information structure is to disclose no information.

Biography of Author

Chika Agbo is a first year PhD candidate in Economics at Ryerson University. She received her first degree in Economics from the University of Nigeria in 2015. In 2020, she received her MA in International Economics and Finance from Ryerson University, where she also received the Economic MA Research Project Award 2019-2020.