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DOCTORAL STUDIES: Massachusetts Institute of Technology (MIT)
PhD, Economics, Expected completion June 2008
DISSERTATION: “*Information and Market Structure*”

DISSERTATION COMMITTEE AND REFERENCES

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PRIOR EDUCATION B.A., summa cum laude w/ honors Economics University of Arizona 2001
B.S., summa cum laude Math University of Arizona 2001

CITIZENSHIP United States **GENDER:** MALE **DATE OF BIRTH** 03/30/1979

RESEARCH & TEACHING FIELDS Primary Fields: Experimental Economics, Applied Theory
Secondary Fields: IO, Development, Market Design

TEACHING EXPERIENCE Experimental Economics (graduate, MIT course 14.160), Teaching Fall 2007-2005
Assistant to Professor Ernst Fehr
Behavioral Economics (undergraduate, MIT course 14.13), Teaching Fall 2007
Assistant to Professor Lorenz Goette
Intermediate Microeconomics (undergraduate, MIT course 14.04), Fall 2006, 2005
Teaching Assistant to Professor Sergei Izmalkov
Contract Theory (graduate, MIT course 14.124), Teaching Assistant to Spring 2005
Professor Matthias Dewatripont

FELLOWSHIPS, HONORS, AND AWARDS George and Obie Schultz Fund (2007)
MIT Undergraduate Economics Association Teaching Award (2006)
MIT Presidential Fellow (2003-2005)

PROFESSIONAL ACTIVITIES Presentation: Northeast Universities Development Consortium Conference (NUEDC) Fall (2007)
MIT Graduate Economics Association, Co-President (2005-2006)
Referee for *Journal of Development Economics*

PUBLICATIONS **“Interconnection Discrimination: A Two-Sided Markets Perspective.” In Proceedings of Fifth Hot Topics in Networks (HotNets-V '06), Irvine, CA, US, November 29-30, 2006. (with Peyman Faratin).**

This paper focuses on interconnection failures that occur when ISPs price discriminate between content providers and content users. We informally show how viewing interconnection as a Two-Sided Market can lead to optimal discrimination rules that are very different than network neutrality. We highlight potential distortions being generated by network neutrality including the breakdown of Quality of Service, flattening of the internet, and the creation of distribution overlay networks.

RESEARCH PAPERS: **“The Informational Properties of Institutions: An Experimental Study of Persistence in Markets with Certification” (Job Market Paper)**

This paper explores the idea that informational externalities inherent in institutions may contribute to their inefficient persistence. Market institutions that form to reduce moral hazard, such as certification intermediaries, often pool the actions of heterogeneous agents making them indistinguishable. While in the short run, such institutions may be optimal, in the long run inefficient market structures may persist because information about changes in the underlying environment is lost. I model and experimentally analyze a market with high and low quality products that are indistinguishable without costly certification. Sellers in the market make endogenous production decisions and have heterogeneous levels of moral hazard leading to two possible equilibria – non-certifying and certifying – that vary in both efficiency and information about the underlying environment. I begin half of the sessions in an environment with low amounts of moral hazard where the non-certifying equilibrium is consistently observed. I begin the other half of the sessions in an environment with a high amount of moral hazard where the certifying equilibrium is consistently observed. I then switch environments and study how the market structure adapts. I find that the non-certifying equilibrium adapts to the constrained Pareto efficient market structure while the certifying equilibrium does not. These findings are consistent with an information based theory of adaptation in which the adoption of certification eliminates observable information about the underlying environment.

“Protecting Antiquities: A Role for Long-Term Leases?” (with Michael Kremer)

Most countries prohibit the export of certain antiquities. This practice often leads to illegal excavation and looting for the black market, which damages the items and destroys important aspects of the archaeological record. We argue that many of the goals for export bans could be better accomplished through the use of long-term leases. Long-term leases of antiquities would raise revenue for the country of origin while both preserving national long-term ownership rights and preventing trade inefficiencies that arise in sale and repurchase programs. As opposed to other contracts such as sales or

options, allowing leases limit the amount of damage that a bad government can cause to future generations by limiting its ability to expropriate future rents. Leases also provide a natural way of paying information rents to local constituents in a manner that is less prone to corruption than cash payments. By putting antiquities into the hands of the highest value consumer in each period and creating a legal market where identifying objects increases their value, allowing leases would generate incentives for the protection of objects.

**RESEARCH IN
PROGRESS:**

“Thin and Thick Markets: Middlemen, Search, and Market Closure”

Decentralized markets with multiple layers of small intermediaries play a significant role in the transaction of goods in the developing world. This project studies the effect of middlemen on production choices in environments where there are search frictions and capacity constraints. Using theory and discrete-event simulation, I argue that intermediation can cause significant price distortion in thin markets and ultimately lead to the closure of potentially profitable niche markets. As intermediation becomes more specialized and search becomes directed, the possibility of market closure declines. My results provide one potential reason why thin high-end markets may close in the developing world even when fixed costs are sunk and variable costs are low.

“Experiments in Authority, Delegation, and Incentive Conflict,” (with Ernst Fehr and Holger Hertz)

A large portion of the organization literature has centered on how control rights are distributed in a setting with incentive conflicts. In this experiment, we use a simplified version of Aghion and Tirole (1997) to study the interplay between formal control rights, effort, and delegation. We find that individual effort choices and beliefs are consistent with the theoretical Nash Equilibrium but that principals retain control rights even when it is strongly in their interest to delegate. We also find differences in how males and females respond to the allocation of authority. As agents, women respond to being delegated authority by increasing their effort relative to men and respond to the retention of authority by the principal with low effort. As principals, women are more likely to transfer authority when it is efficient to do so. These gender effects are consistent with a growing experimental literature documenting a differential response to incentives between genders.

“Handing Out Guns at a Knife Fight: Behavioral Limitations to the Moore-Repullo Mechanism” (with Ernst Fehr and Michael Powell)

Much of implementation theory has centered around the use of Moore-Repullo mechanisms that can generate truth telling in an environment where the true state of nature is observable to the interested parties but non-verifiable by a third party. Moore-Repullo mechanisms add off-equilibrium arbitration clauses to a contract which either party can evoke in the event of a lie by the other party. These arbitration clauses induce truth telling by imposing large fines for both lies and false calls for arbitration. In this experiment, we study two of the key assumptions to the Moore-Repullo mechanism: 1) that parties are willing to accept contracts that generate fines of arbitrary size and 2) that individuals do not reciprocate punishment for contracts that go to arbitration. We hypothesize that fear of off-equilibrium actions and reciprocal punishment put a natural cap on the size of potential fines that individual subjects are willing to impose within a contract. Such restrictions would limit the class of games for which Moore-Repullo mechanisms can be implemented.