TSE researchers: week 9

6 February 2012: Takuro YAMASHITA

Takuro is an assistant professor of economics at TSE.
He began his higher education at Hitotsubashi University in Tokyo, Japan, before undertaking a PhD in economics at Stanford University. He obtained his PhD in 2011, and then took up his TSE position at the beginning of the current academic year.

(1) Why did you choose to work at TSE?

I work in mechanism design theory (a.k.a. implementation theory or contract theory), and TSE is very famous for that field – there are many good faculty members working on related topics, so it was a natural choice for me to come here.

(2) How would you describe your research to the general public?

The aim of mechanism design theory is to design rules (or “mechanisms”) in order to reach a specific objective for situations where people want to make economic decisions to further their own interests, such as sellers and buyers who want to trade on a market. So, for example, if the aim is to improve trading efficiency, we want to design rules for the transactions that will incite people to make decisions that will improve the chances of an efficient outcome being attained.

(3) How does this research impact on society?

A government, for example, might be interested in designing rules to ensure transaction efficiency in some markets. Similarly, a private auctioneer selling a good might be interested in designing auction rules to achieve the highest revenue possible. Mechanism design theory allows us to identify the optimal rule properties in order to achieve such objectives.

(4) A
current or upcoming highlight in your work?

In the standard mechanism design
literature, strong assumptions are made on the behaviour of the economic agents involved. I am currently working on robust
mechanism design, which aims to find rules to achieve an objective when it is not possible to make those strong assumptions, and hence the rules can only be designed using weak assumptions on
the potential behaviour of the agents. An example would be the
online auction designer eBay, where there are many potential buyers and sellers
who do not know each other and hence it may not be reasonable to make strong assumptions about their behaviour.

(5) What
is the main cultural difference you find between Japan and France?

I find French people more energetic and communicative
than the Japanese! The Japanese tend to keep themselves to themselves more.