

**HEIDI CHRISTINA THYSEN**

**LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE**

**Department of Economics**

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**CITIZENSHIP:** Danish

**PRE-DOCTORAL STUDIES:**

2016-2018 MRes in Economics, London School of Economics and Political Science  
2013-2016 International Master of Science in Quantitative Economics, Aarhus BSS, Aarhus University  
2010-2013 BSc in Economics and Management, Aarhus BSS, Aarhus University

**DOCTORAL STUDIES:** London School of Economics

DATES: 2018 - present

THESIS TITLE: "Essays on Misspecified Models"

EXPECTED COMPLETION DATE: July 2021

THESIS ADVISOR AND REFERENCES:

Professor Gilat Levy  
Department of Economics  
London School of Economics  
Houghton Street  
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**DESIRED TEACHING AND RESEARCH:**

Primary Fields: Microeconomic Theory, Behavioral Economics

Secondary Fields: Game Theory, Political Economy

**TEACHING EXPERIENCE:**

2019-2020      Teaching Fellow:  
                    EC476, MSc Contracts and Organisations, LSE  
                    EC411, MSc Microeconomics, LSE  
2018-2020      EC451, Pre-sessional Course for MSc EME (Micro part), LSE  
2015              BSc Business Mathematics, Aarhus BSS, Aarhus University  
2014              BSc Microeconomics 2, Department of Mathematics, Aarhus University  
2012-2013      BSc Micro- and Macroeconomics, Aarhus BSS, Aarhus University

**RELEVANT POSITIONS HELD:**

2016-2020      Research Assistant for Ran Spiegler, UCL  
2017              Research Assistant for Gilat Levy, LSE

**LANGUAGES**

Basic Spoken              Fluent Spoken  
German                      Danish, English

Basic Written              Fluent Written  
German                      Danish, English

**HONORS, SCHOLARSHIPS AND FELLOWSHIPS:**

2016-2021      PhD Studentship, London School of Economics and Political Science  
2016              Economics and Management Graduate of the Year, Oecon Foreningen

**REFEERING SERVICES:**

Theoretical Economics, European Economic Review

**COMPLETED PAPERS:**

***Job Market Paper:***

**“Equilibrium Contracts and Boundedly Rational Expectations”**, joint with Heiner Schumacher (R&R at Theoretical Economics)

We study a principal-agent framework in which the agent forms beliefs based on a misspecified subjective model of the principal’s project. She fits this model to the objective probability distribution to predict output under alternative actions. Misspecifications in the subjective model may lead to biased beliefs. However, under mild restrictions, the agent has correct beliefs on the equilibrium path so that the optimal contract is non-exploitative. This allows for a behavioral version of the informativeness principle: The optimal contract conditions on an additional variable only if it is informative about the action according to the agent’s subjective model. We further characterize when misspecifications affect the optimal contract. One implication of this characterization is that the scope for belief biases depends on the agent’s job, e.g., her position in the hierarchy.

***Other Papers:***

**“Strategic Interpretation”**, joint with Kfir Eliaz and Ran Spiegler (R&R at Journal of Economic Theory)

We study strategic communication when the sender’s multidimensional messages are given an interpretation by the sender himself or by a proxy. Interpreting messages involves the provision of some data about their statistical state dependence. The receiver can only use this data to decipher messages. In this way, strategic interpretation of messages can influence the receiver’s understanding of their equilibrium meaning. We show that in a two-action, two-state setting, the sender can attain his first-best payoff when the prior on one state exceeds a threshold that decays quickly with message dimensionality. We examine the result’s robustness to the critique that the receiver may attempt to draw inferences from the selective interpretation itself.

**“Persuasion with Endogenous Misspecified Beliefs”**, joint with Kfir Eliaz and Ran Spiegler (2020) – a follow-up note to “Strategic Interpretations”.

**“Correlation Neglect as a Commitment Device”** (2018)

We study the strategic transmission of information from two informed senders to an uninformed receiver. The senders, whose preferences are perfectly aligned can send correlated, binary, pay-off irrelevant messages. The receiver observes the messages and takes an action that affects the pay-off of all the agents. The receiver understands the informational content of the individual messages, but not their correlation. Compared to the rational benchmark the receiver’s inability to infer the correlation between messages expands the range of disagreement for which information transmission can take place. The receiver strictly prefers to suffer from correlation neglect.

**RESEARCH IN PROGRESS:**

**“Subjective Causality”**, joint with Andrew Ellis

We analyze the stochastic choices of an agent who evaluate lotteries using her subjective causal model. In general, the agent’s choices will not satisfy regularity, as the agent’s choice frequencies in might influence the agent’s evaluating of lotteries in the menu. We identify the agent’s subjective causal model based on her choices.

**“Fixed or Flexible Election Structure?”**

In many western democracies the Prime Minister have the option to call for an early election. We adapt Rogoff (1990)'s model of political budget cycles to allow for early elections and study the consequences in this framework when the PM can call for early elections.

**“Policy Delays and Information Generation with Competing Experts”**, joint with Clement Minaudier

The ability to uncover evidence over time can influence the duration of policy making. We consider a model where two competing experts can sequentially uncover hard evidence and choose whether to disclose it to a policy maker. We study how their decision to disclose evidence depends on the policy maker's valuation of the status quo and on the time, it takes to uncover evidence. We show in an example that competition can lead an expert to stop generating evidence early.