ABSTRACT

The law of the few refers to the following social phenomenon: a large majority of individuals get most of the information needed for their decisions from a very small subset of the group, viz., the influencers. Moreover, research suggests that there are minor differences between the observable economic and demographic characteristics of the influencers and the others. We are led to ask: can this phenomenon be understood as a consequence of strategic interaction among identical individuals?

This paper develops a model where players personally acquire information and form connections with others to access their information. We show that the ‘law of the few’ is a robust equilibrium outcome of this model. (Co-authored with Andrea Galeotti)