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On the speed of social learning

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We consider two Bayesian agents who learn from exogenously provided private signals, as well as the actions of the other. Our main finding is that increased interaction between the agents can lower the speed of learning: when both agents observe each other, learning is significantly slower than it is when one only observes the other. This slowdown is driven by a process in which a consensus on the wrong action causes the agents to discount new contrary evidence.