

Prisoner Subgame

| | | |
|---|--------------------------|-----------------|
| C | $F \cdot 10, F \cdot 10$ | $0, F \cdot 20$ |
| D | $F \cdot 20,$ | |

everybody collaborates $g \cdot 10 + (1-g) \cdot 0$

nn $0, 0$

Cn $g(-1) + g(0), (20) + (1-g) \cdot 0$

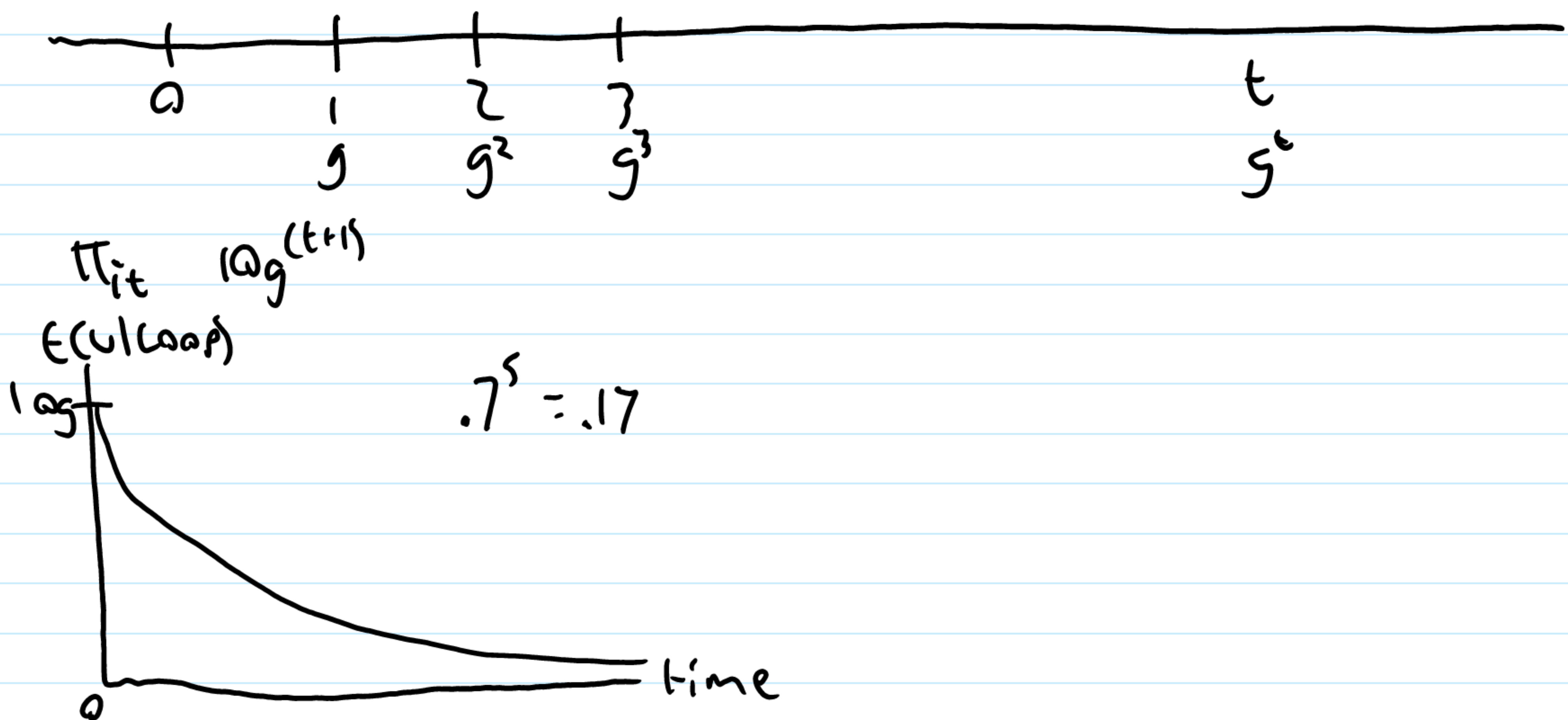
Defection doesn't prove uncooperation

Two Stages

1) With no forgiveness, when is cooperation possible?

Prob $\pi_i = 10$ years up to t ?

↳ if ever $\pi_{it} = 0$, what is $\pi_{it} = 0$?



X: years finished
grim w/ forgiveness