

# Lecture notes, Dec 3<sup>rd</sup>, 2020

Two-stage Stackelberg game.

Gov't choose policy given  $\{g_t\}$

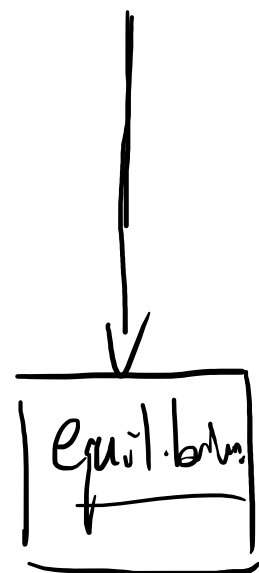
Ramsey

②

how to solve it?

Backwards.

plug IC into planner's problem



①

← solution to ① gives IC

hhhd, firm choose  $c, l, \dots$  given  $\{g_t\}, \{z_t\}$

Timeline