

Rationalizable Strategies and Correlated Equilibrium

Lemma

Every action used with positive probability by some player in a correlated equilibrium of a finite strategic game is rationalizable.

- For each player i let Z_i be the set of actions that player i uses with positive probability in the correlated equilibrium.
- $a_i \in Z_i$ is a best response to what belief over Z_{-i} ?
 - ▶ The same probability distribution as that generated by the strategies of other players, conditional on player i choosing to play a_i .
 - ▶ Are these strategies a subset of Z_{-i} ? Yes.