Equilibrium Strategy Profiles (For JLEO Revision)

First, need to get timing clear for evolution of state variable. Take state variable to be q_{st}.

- q_{s1}: beginning of the world (or, $Q_{s0} - \mu = q_{s1}$)
- $Q_{s1} = q_{s1} + R_{p1} + R_{c1}$
  - $q_{s2} = Q_{s1} - \mu$

Strategies

- For patron: function of q_{st}
- For c: function of $q_{st} + R_{pt}$
- For s: function of $Q_{st} = q_{st} + R_{pt} + R_{ct}$
- For g: not a function of q_{st} at all

For Markov-perfect equilibrium, strategy profile must be dependent on state variable, q_s only.

Period 1

- Patron: $R_{p1} = \frac{\beta}{1-\delta} - (q_{s1} - l_{s1})$ to augment q_{s1} if this is greater than 0. Else, $R_{p1} = 0$. Can write in max language.
- International community: If $R_{p1} + q_{s1} - l_{s1} \geq \frac{\beta}{1-\delta}$, $R_{c1} = 0$. Otherwise $R_{c1} = l_{s1} - (q_{s1} + R_{p1})$ to augment l_{s1}.
- Gov't / Secessionists: Choose unilateral, simultaneous best responses depending on magnitudes of Q_{i1}, L_{i1} and $\omega i1$