

Date	November 24, 2017 (Friday)	
Speaker	Prof. Yangbo Song	
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Paper Title	Finite Repeated Games with Learning of Actions	
Abstract	<p>This paper studies finite repeated games in a novel setting: a player may learn new actions over time by observing the opponent's play. In contrast to related literature such as Kreps et al. (1982), we provide a framework with full rationality for sustaining cooperation, which bridges the gap between theories of finite and infinite repeated games. We show that even if rational cooperation is impossible without learning, for instance in a Prisoner's Dilemma, it can be sustained with approximate efficiency when players can learn from one another. Cooperation does not have to be endowed in each player's initial action set, but can be ``taught'' and enforced. When learning is imperfect, the set of sustainable payoffs is not continuous, in the sense that no equilibrium exists when learning is nearly perfect and the repeated games last for sufficiently many periods.</p>	
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