

# Context-Dependent Forward Induction Reasoning

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## Abstract

This paper studies the case where a game is played in a particular context. The context influences what beliefs players hold. As such, it may affect forward induction (FI) reasoning: If players rule out specific beliefs, they may not be able to rationalize observed behavior. The effects are not obvious. Context-laden FI may allow different outcomes than context-free FI. At the formal level, contextual reasoning is defined within an epistemic structure. In particular, we represent contextual FI reasoning as "rationality and common strong belief of rationality" (RCSBR) within an arbitrary type structure. (The concept of RCSBR is due to Battigalli-Siniscalchi [2002].) What strategies are consistent with RCSBR (defined on an arbitrary type structure)? We show that the RCSBR is characterized by a new solution concept we call Extensive Form Best Response Sets (EFBRS's). We go on to study the EFBRS concept in games of interest. In particular, we establish a relationship between EFBRS's and Nash outcomes, in perfect-information games satisfying a 'no ties' condition. We also show how to compute EFBRS's in certain cases of interest.

# 1 Dynamic interactive epistemology:

Analysis of players' beliefs and their beliefs about opponents' beliefs in the context of an extensive form game

At each state of the world  $\omega$  a player is characterized by probabilistic beliefs conditional on each information set

Cognitive unity of the self across information sets given by perfect recall and application of the rule of conditionalization

## 2 Conceptual Motivation

### Forward induction reasoning

Backward induction (BI)=each player believes that the *future* behavior of the opponent is "strategically rational" (sophisticated in some sense) and best responds

*Forward Induction (FI)*=each player believes, if possible, that the *past* behavior of the opponent is "strategically rational", and best responds.

In other words, according to FI reasoning a player "rationalizes" (if possible) the observed behavior of the opponent.

We argue that "*rationalization*" depends on what is transparent to the players, which in turn depends on the context behind the game.

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## Transparency and self-evident events (informal!)

An event  $E$  is "*transparent*" at state  $\omega$  if:

$$\omega \in E$$

at  $\omega$ , for each  $m = 1, 2, \dots$ ,

(everybody believes at each information set that) <sup>$m$</sup>   $E$

$E^*$  is "*self-evident*" if for each  $\omega \in E^*$  everybody believes at each information set that  $E^*$

**Remark:** If  $E^* = \{\omega: E \text{ is transparent at } \omega\}$ , then  $E^*$  is self-evident.

## Context and beliefs

We argue that the **context** (previous history, social conventions, or preplay communication) may make an epistemic event  $E$  transparent, thus giving rise to a self-evident event  $E^*$ , e.g.:

- Players of some game  $\Gamma$  live in a society where it is transparent there is a lady's choice convention—i.e., if She gets to move in an asymmetric coordination game She will try to obtain "her best outcome."
- Players of some game  $\Gamma$  live in a society with a "keep right" convention. It is transparent to them that while playing  $\Gamma$  they strongly believe that "keep right" holds.

### Example: BoS w/ outside option, given "ladies' choice" convention

Bob chooses between an outside option (Out) that yields 2 and playing a coordination game with Ann (In) [**Bob's** payoffs in **bold**, Bob likes (B,B)]

$(* , 2)$	←	<b>Bob</b>	→	Ann \ <b>Bob</b>	A	B
	Out		In	A	<b>3,1</b>	<b>0,0</b>
				B	<b>0,0</b>	<b>1,3</b>

Let  $E^*$  = [It is "transparent" that Bob believes Ann would play A after In] ("ladies' choice" convention).

$E^*$  is a "self-evident" event.

If we assume  $E^*$ , every other assumption about players' rationality and beliefs must be made in conjunction with  $E^*$  (otherwise  $E^*$  would not be self-evident!).

Let  $R^i = i$  is rational

$\forall E, SB^i(E) = i$  "strongly believes"  $E$  ( $i$  believes  $E$  whenever possible)

**Claim:** the following assumptions (representable as events in a canonical, universal state space)

$R^a$  and  $R^b$  and  $E^*$

$SB^a(R^b \cap E^*)$

$SB^b(R^a \cap E^* \cap SB^a(R^b \cap E^*))$

are *mutually consistent* and *imply* [Out]

**Intuition:**  $R^b \cap E^*$  implies [Out], thus  $SB^a(R^b \cap E^*)$  has no implication for Ann's beliefs about Bob after In  $\Rightarrow$  consistency. The "usual" forward induction argument does not work!



**"Context free" FI in the BoS with outside option:**

On the other hand, suppose now that no (non-trivial) event is self-evident, implying that there is *no "ladies' choice" convention*. Then the "usual" forward induction argument works: the assumptions

$R^a$  and  $R^b$

$SB^a(R^b)$

$SB^b(R^a \cap SB^a(R^b))$

are *mutually consistent* and *imply* [In]

**Intuition:**  $SB^a(R^b) \Rightarrow$  after In, Ann would believe In.B (In.A is dominated) and play B. Thus,  $R^b \cap SB^b(R^a \cap SB^a(R^b)) \Rightarrow$  Bob expects B and plays In.B.

The example shows that the context affects FI reasoning. Specifically, it shows that *"context-laden" FI reasoning may allow outcomes excluded by "context-free" FI-reasoning.*

[Technically, this is due to the non-monotonicity of strong belief]

Therefore, the context affects the outcome of FI reasoning in a non-obvious way.

Now, let's be more specific about context dependent FI reasoning.

**Ingredients** of a situation of **strategic interaction**:

1. *rules of the game*: who moves when, with what constraints and information (→ possible strategies), material consequences of play
2. *payoffs*: "utilities" of consequences
3. *interactive beliefs*: what the players might conceivably think about each other, conditional on their information

1 = "game" in the natural language

1+2 = "game" in the language of game theory

[for simplicity we assume "common knowledge" of 1+2]

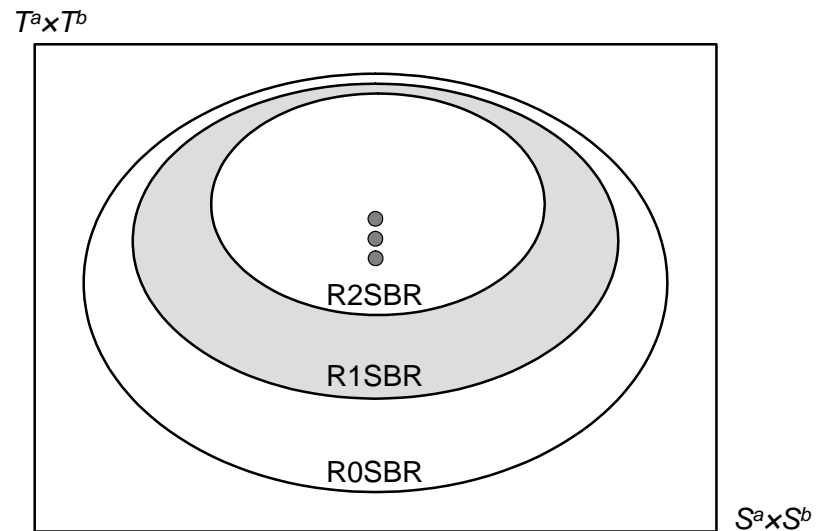
1+2+3 = "epistemic game", 3 given by context

## FI reasoning and RCSBR

Battigalli & Siniscalchi (2002) provide a rigorous epistemic formalization of FI reasoning by means of a set of assumptions called *Rationality and Common Strong Belief in Rationality* (RCSBR).

These assumptions are represented as events in a state space  $\Omega$  whereby each  $\omega \in \Omega$  specifies what players would do and what players would think at each history/node of the game.

If "no beliefs are ruled out by the context", RCSBR yields the Extensive Form Rationalizable strategies (Pearce, 1984), such as (In.B,B) in the BoS w/ an Outside Option.



$R0SBR = R = \text{Rationality}$

$R1SBR = R \cap \text{SB}(R) = R \text{ and mutual Strong Belief in } R$

$R2SBR = R \cap \text{SB}(R) \cap \text{SB}(R \cap \text{SB}(R)) = R \cap \text{SB}(R) \text{ and mutual Strong Belief in } R \cap \text{SB}(R)$

## How can we capture the context?

*Implicit* representation:  $\Omega$  itself captures the context by allowing some beliefs and not others,  $\Omega$  is the event made self-evident by the context.

*Explicit* representation: look at a canonical, universal state space  $\Omega^u$ , fix the context-dependent, self-evident event  $E^*$ , recognize that, in the RCSBR assumptions, "rationality of  $i$ " is contextual and formally corresponds to event  $R^i \cap E^*$  in  $\Omega^u$ :

Each representation has its own advantages and they are, in a precise sense, equivalent. Whatever representation we choose, RCSBR is context-dependent in non obvious ways. To emphasize this, let's write the RCSBR event as

$$RCSBR_{\text{context}}$$

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## MAIN QUESTION: behavioral implications of contextual FI reasoning

*The analyst need not know what is transparent to the players.*

*What are the behavioral consequences of assuming  $RCSBR_{\text{context}}$ ?*

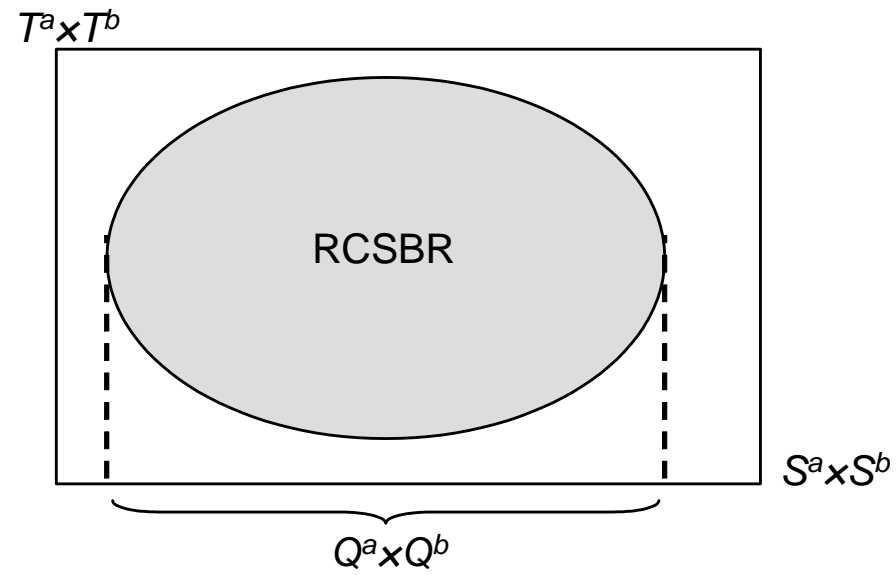
Formally, let  $Q \subset S$  be the product set of strategy profiles consistent with  $RCSBR_{\text{context}}$ , that is

$$Q = \text{proj}_S RCSBR_{\text{context}} \quad (*)$$

Can we state properties of  $Q$  (without using interactive beliefs and state spaces) that are necessary and sufficient for the existence of a context that yields  $Q$  as in  $(*)$ ? This would help answer the following question:

Can we (analysts) identify the observable implications of  $RCSBR_{\text{context}}$  without knowing what is self-evident?

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$$Q^a \times Q^b = \text{proj}_S RCSBR_{\text{context}}$$



We build on related work by Brandenburger & Friedenberg (2004) on Self Admissible Sets to obtain:

a solution concept, the Extensive Form Best Response Set (EFBRS), providing necessary and sufficient conditions for  $Q$  so that

$$Q = \text{proj}_S \text{RCSBR}_{\text{context}} \text{ for some context.}$$

In some interesting special cases, this characterization yields observable implications that are independent of the context.

## Transparency of restrictions on first-order beliefs

*First-order beliefs* = beliefs about the opponent's strategy.

Suppose the analyst knows that some restrictions  $F$  on *first-order* beliefs are transparent (e.g. "ladies choice" convention). Let

$$F^* = [\text{restrictions } F \text{ hold and are "transparent"}]$$

be the corresponding self-evident event and consider FI reasoning in this  $F^*$ -context:  $RCSBR_{F^*}$

Then  $Q_F = \text{proj}_S RCSBR_{F^*}$  is a particular EFBRs. Is there an algorithm (based only on extensive form game and  $F$ ) to compute  $Q_F$ ?

We build on related work by Battigalli & Siniscalchi (2002, 2003) and show:

The particular EFBRS

$$Q_F = \text{proj}_S RCSBR_{F^*}$$

can be computed with a *modified Extensive Form Rationalizability* procedure where first-order beliefs are restricted to  $F$ .

### 3 Setup

Two-person game of complete (but imperfect) info. between  $a$  (Ann) and  $b$  (Bob)

1. *Rules of the game*  $\rightarrow$  information partitions  $H^a, H^b$  and strategy sets  $S^a, S^b$  for  $a$  (Ann) and  $b$  (Bob) (technical: we allow for simultaneous moves and specify a player's information even when she is not active); everything is **finite**.

Information about strategies:

$$S^a(h) = \{s^a \in S^a : s^a \text{ allows } h\}, h \in H^a \cup H^b$$

2. *Payoffs*  $\rightarrow$  strategic-form payoff functions  $\pi^a, \pi^b : S^a \times S^b \rightarrow \mathbb{R}$

### 3. Beliefs (implicit representation):

$T^i$  = abstract set of epistemic types of player  $i$  (technically, a Polish space).

Events about Bob:  $E^b \subset S^b \times T^b$

Info. of Ann about Bob:  $\forall h \in H^a$ , write  $[h]^b = S^b(h) \times T^b$  for brevity

A belief of Ann about Bob is a conditional probability system (CPS):

$$\mu^a(\cdot|\cdot) = (\mu^a(\cdot|[h]^b))_{h \in H^a} \in \prod_{h \in H^a} \Delta([h]^b) \text{ such that}$$

$$[h]^b \subset [g]^b \Rightarrow \mu^a(E^b|[h]^b)\mu^a([h]^b|[g]^b) = \mu^a(E^b|[g]^b)$$

$\mathcal{C}^a(S^b \times T^b)$  = set of CPSs of Ann about Bob (again, Polish).

The belief of type  $t^a$  of Ann is  $\beta^a(t^a)$ , where  $\beta^a : T^a \rightarrow \mathcal{C}^a(S^b \times T^b)$  is measurable (Likewise for Bob).

*Type structure* (based on the given extensive form game  $\Gamma$ ):

$$\mathcal{T} = \langle S^a, S^b; T^a, T^b; \beta^a, \beta^b \rangle$$

*States of the world:*

$$\Omega^i = S^i \times T^i, \Omega = (S^a \times T^a) \times (S^b \times T^b), \omega = (\omega^a, \omega^b) = (s^a, t^a, s^b, t^b)$$

$\Omega$ , hence  $T^a \times T^b$ , captures the epistemic implications of the context.

[We represent an event about Bob as  $E^b \subset \Omega^b$ , rather than  $\Omega^a \times E^b \subset \Omega$ ]

**First-order beliefs:** given  $\mu^a \in \mathcal{C}^a(S^b \times T^b)$ ,

$$\text{marg}_{S^b} \mu^a = (\text{marg}_{S^b} \mu^a(\cdot | [h]^b))_{h \in H^a}$$

is a CPS on  $S^b$ .  $\text{marg}_{S^b} \beta^a(t^a)$  is the *first-order belief of type  $t^a$*  about Bob's strategies

**Sequential best response:**  $s^a$  is a seq. best response to  $\nu^a \in \mathcal{C}^a(S^b)$ , if

$$s^a \in \arg \max_{r^a \in S^a(h)} \sum_{s^b} \nu(s^b | S^b(h)) \pi^a(r^a, s^b)$$

whenever  $s^a$  allows  $h \in H^a$  (that is,  $s^a \in S^a(h)$ )

$$\rho^a(\nu^a) = \{s^a : s^a \text{ is seq. best resp. to } \nu^a\}$$

**Rationality:**  $(s^a, t^a)$  is *rational* if  $s^a \in \rho^a(\text{marg}_{S^b} \beta^a(t^a))$

$R^a = \{(s^a, t^a) : (s^a, t^a) \text{ is rational}\}$ ,  $R^b$  likewise,  $R = R^a \times R^b$

**Strong Belief:**  $\mu^a$  strongly believes  $E^b \subset \Omega^b$  ( $E^b \neq \emptyset$ ) if

$$\forall h \in H^a, E^b \cap [h]^b \neq \emptyset \Rightarrow \mu^a(E^b|[h]^b) = 1.$$

For all events  $E^b \neq \emptyset$  about Bob let

$$SB^a(E^b) = \{(s^a, t^a) : \beta^a(t^a) \text{ strongly believes } E^b\}$$

**Correct mutual Strong Belief (and iterations):** for all  $E = E^a \times E^b$

$$SB(E) = SB^a(E^b) \times SB^b(E^a)$$

$$CSB(E) = E \cap SB(E)$$

$$CSB^0(E) = E$$

$$CSB^m(E) = CSB(CSB^{m-1}(E)), m = 1, 2, \dots$$



## Rationality and Common Strong Belief in Rationality

The auxiliary  $\text{CSB}(\cdot)$  operator yields a compact representation of RCSBR:

$$\text{CSB}^0(R) = R [= R^a \times R^b]$$

$$\text{CSB}^1(R) = R \cap \text{SB}(R) [= (R^a \cap \text{SB}^a(R^b)) \times (R^b \cap \text{SB}^b(R^a))]$$

$$\text{CSB}^2(R) = R \cap \text{SB}(R) \cap \text{SB}(R \cap \text{SB}(R))$$

...

$$\text{CSB}^\infty(R) = \bigcap_m \text{CSB}^m(R) = \text{RCSBR}$$

To emphasize that RCSBR is defined within a context-determined type structure  $\mathcal{T}$ , write

$$\text{RCSBR}_{\mathcal{T}}$$

## 4 Results

### Extensive Form Best Response Sets (EFBRS) and RCSBR

Recall:  $\rho^a(\cdot)$  is the sequential best response correspondence.

**DEF.**  $Q^a \times Q^b$  is an EFBRS if  $\forall s^a \in Q^a, \exists \mu^a(s^a) \in \mathcal{C}(S^b)$  (a 1st-ord. cps) such that

- (1)  $s^a \in \rho^a(\mu^a(s^a))$ ,
- (2)  $\mu^a(s^a)$  strongly believes  $Q^b$ ,
- (3)  $\rho^a(\mu^a(s^a)) \subset Q^a$ .

Likewise for Bob.

## Comments to EFBRs

(1)-(2): kind of "internal stability" property

(3): kind of "maximality" or "external stability" property

*Crucial features:* (2) requires *strong* belief, mere initial belief is not enough. (3) requires *maximality* w.r.t. best responses to "allowed" beliefs; intuition: context may exclude beliefs, not strategies (which are freely chosen), a player who best responds to allowed beliefs *must* be deemed rational.

Formally: fix  $\mathcal{T}$  and suppose Bob observes actions by Ann consistent with some  $s^a \in \rho^a(\mu^a)$ , where  $\mu^a = \text{arg}_{S^s} \beta^a(t^a)$  for some  $t^a$ ; then strong belief in rationality implies that Bob must believe that Ann is rational. A similar intuition holds for higher levels of "strategic sophistication". Thus  $s^a$  must be in the set  $Q^a$  strongly believed by Bob.

### Example on the role of maximality:

(1,*)	←	<b>A</b>	→	<b>A</b> \ <b>B</b>	L	R
				U	2,0	0,1
				M	0,0	2,1
				B	0,1	0,0

Out
In

Only the belief  $\hat{\mu}^a$  s.t.  $\hat{\mu}^a(L) = \hat{\mu}^a(R) = \frac{1}{2}$  justifies Out;

In.B is strictly dominated.

$\{\text{Out}\} \times \{L, R\}$  satisfies (1)-(2), but not (3):  $\rho^a(\hat{\mu}^a) = \{\text{Out}, \text{In.U}, \text{In.M}\}$

If  $Q \neq \emptyset$  satisfies (1)-(2), then **either**  $Q = \{\text{Out}\} \times \{L, R\}$  (FI does not bite),  
**or**  $Q = \{\text{In.M}\} \times \{R\}$  (FI bites: Bob rules out In.B in the subgame, hence...)

$\Rightarrow$  by (3), the only non-empty EFBRs is  $Q = \{\text{In.M}\} \times \{R\}$   
 (the extensive form rationalizable strategies)

**THEOREM 1**  $Q = \text{proj}_S RCSBR_{\mathcal{T}}$  for some type structure  $\mathcal{T}$  if and only if  $Q$  is an EFBRs.

### Very rough sketch of proof

If  $\exists \mathcal{T}$  s.t.  $Q = \text{proj}_S RCSBR_{\mathcal{T}}$ , (1)-(2)-(3) can be verified by inspection.

If (1)-(2)-(3) hold for  $Q$ , construct  $\mathcal{T}$  s.t.  $Q = \text{proj}_S RCSBR_{\mathcal{T}}$ :

- define  $T^a = Q^a$ ,  $T^b = Q^b$
- for each  $s^a \in Q^a = T^a$ , let  $\mu^a(s^a)$  be the belief justifying  $s^a$  as per (1)-(2)
- and construct  $\beta^a(s^a) \in \mathcal{C}^a(S^b \times T^b)$  so that  $\mu^a(s^a) = \text{marg}_{S^b} \beta^a(s^a)$  and  $\forall h \in H^a$  with  $S^b(h) \cap Q^b \neq \emptyset$

$$\beta^a(s^a)((s^b, t^b) | [h]^b) > 0 \text{ only if } s^b = t^b.$$

## EFBRS, self-evident events and RCSBR

Each  $\mathcal{T}$  (satisfying a weak "technical" condition) corresponds to a self-evident epistemic event  $E^*(\mathcal{T})$  within the canonical, universal type structure. Therefore  $RCSBR_{\mathcal{T}}$  is equivalent to  $CSB^{\infty}(R \cap E^*(\mathcal{T}))$  in the canonical structure, and Theorem 1 yields:

**COROLLARY** In the canonical, universal type structure

$$Q = \text{proj}_S CSB^{\infty}(R \cap E^*)$$

for some self-evident epistemic event  $E^*$  if and only if  $Q$  is an EFBRS.

## Transparent restrictions on first-order beliefs

Fix *closed* sets  $F_h^a \subset \Delta(S^b(h))$  ( $h \in H^a$ ) and let  
 $F^a = \{\mu^a \in \mathcal{C}^a(S^b) : \forall h \in H^a, \mu(\cdot|S^b(h)) \in F_h^a\}$  (likewise for  $F^b$ )

In the canonical, universal type structure  $\mathcal{T}^u$  let

$$F = \{(s^a, t^a, s^b, t^b) : \text{marg}_{S^b} \beta^a(t^a) \in F^a, \text{marg}_{S^a} \beta^b(t^b) \in F^b\}$$

$$F^* = \{\omega : F \text{ is transparent at } \omega\} \text{ (self-evident)}$$

How to compute  $Q_F = \text{proj}_S \text{CSB}^\infty(R \cap F^*)$  (an EFBRS)?

**F-rationalizability** (Battigalli & Siniscalchi 2003)

$$Q_F^{a,0} = S^a, Q_F^{b,0} = S^b$$

$$Q_F^{a,m} = \{s^a : \exists \mu^a \in F^a, \mu^a \text{ strongly believes } Q_F^{b,m-1} \text{ and } s^a \in \rho^a(\mu^a)\}$$

likewise for  $Q_F^{b,m}$

$$Q_F^a = \bigcap_m Q_F^{a,m}, Q_F^b = \bigcap_m Q_F^{b,m}$$

For some  $M$ ,  $Q_F^a \times Q_F^b = Q_F^{a,M} \times Q_F^{b,M}$ . Thus,  $Q_F^a \times Q_F^b$  is an EFBR

**RESULT**  $Q_F^a \times Q_F^b = \text{proj}_S \text{CSB}^\infty(R \cap F^*)$

Note: Battigalli & Siniscalchi proved a related, but different result,

$$Q_F^a \times Q_F^b = \text{proj}_S \text{CSB}^\infty(R \cap F)$$



## Examples of observable implications

Using Theorem 1, we can obtain the observable implications of RCSBR, independently of the context, in interesting special cases:

**RESULT:** In the *Finitely Repeated Prisoners' Dilemma*, if  $(s^a, t^a, s^b, t^b) \in RCSBR$  (for some  $\mathcal{T}$ ) then  $(s^a, s^b)$  yields the BI path (sequence of defections).

**RESULT:** In the *Centipede* game, if  $(s^a, t^a, s^b, t^b) \in RCSBR$  (for some  $\mathcal{T}$ ) then  $(s^a, s^b)$  yields the BI path (immediate exit).

## Observable implications of RCSBR in perfect information games

**DEF.**  $s^a$  is *sequentially justifiable* if  $s^a \in \rho^a(\mu^a)$  for some  $\mu^a \in C^a(S^b)$ .

**DEF.** A perfect information game has *No Relevant Ties* (NRT) if, for every pair of distinct terminal nodes  $z'$ ,  $z''$ , the player moving at the last common predecessor of  $z'$  and  $z''$  is not indifferent between  $z'$  and  $z''$ .

**THEOREM 2:** Fix a *perfect information* game with *NRT*.

1. If  $Q$  is an EFBRS, then there is a *Nash* equilibrium  $\hat{s}$  that is *path-equivalent* to every  $s \in Q$ .
2. If  $\hat{s}$  is a *Nash* equilibrium in sequentially justifiable strategies, then there is an EFBRS  $Q$  such that  $\hat{s} \in Q$  (and, by part 1, every  $s \in Q$  is *path-equivalent* to  $\hat{s}$ ).

[We extend part 1 to PI games satisfying the Single Payoff Condition, such as zero-sum PI games.]

## Example: sequential justifiability is needed in part 2

$$\begin{array}{ccccc}
 A & \longrightarrow & B & \longrightarrow & \begin{pmatrix} 2 \\ 2 \end{pmatrix} \\
 \downarrow & & \downarrow & & \\
 \begin{pmatrix} 1 \\ 1 \end{pmatrix} & & \begin{pmatrix} 0 \\ 0 \end{pmatrix} & & 
 \end{array}$$

(Down if In) is not sequentially justifiable (it is conditionally dominated) for Bob, hence Nash outcome (1,1) is inconsistent with RCSBR. Only Nash outcome (2,2) is consistent with RCSBR.

**Example:**  $RCSBR_{\mathcal{T}}$  need not yield the BI path

$$\begin{array}{ccccccc}
 A & \longrightarrow & B & \longrightarrow & A & \longrightarrow & \begin{pmatrix} 3 \\ 3 \end{pmatrix} \\
 \downarrow & & \downarrow & & \downarrow & & \\
 \begin{pmatrix} 2 \\ 2 \end{pmatrix} & & \begin{pmatrix} 1 \\ 1 \end{pmatrix} & & \begin{pmatrix} 0 \\ 0 \end{pmatrix} & & 
 \end{array}$$

Nash outcome  $(2, 2)$  is implied by  $RCSBR_{\mathcal{T}}$  for some  $\mathcal{T}$  whereby  $\beta^a(t^a)(\text{across}^b) < \frac{1}{2}$  for all  $t^a \in T^a$ .

Only the BI path  $(3, 3)$  is consistent with Extensive Form Rationalizability, and hence with  $RCSBR$  in the universal type structure (cf. Battigalli & Siniscalchi, 2002).

As a consequence of Theorem 2 (part 1) we obtain

**COROLLARY** In all perfect information games satisfying *NRT* and with a *unique Nash path*, *RCSBR* yields the *Backward Induction path*.

The Centipede is a case in point.

## 5 Conclusions

We represent FI reasoning with the assumption of Rationality and Common Strong Belief in Rationality, corresponding to an event  $RCSBR_{\mathcal{T}}$  in a type structure  $\mathcal{T}$ . The type structure captures restrictions on players beliefs made transparent by the context.

Despite the fact that the context affects FI reasoning in non obvious ways, we can characterize  $RCSBR_{\mathcal{T}}$  (for some  $\mathcal{T}$ ) with a solution concept, the Extensive Form Best Response Set, which allows to derive the context independent observable implications of  $RCSBR$  in interesting cases.

For the sake of simplicity, we restricted our analysis to two-person games of complete information without chance moves. These assumptions can be removed:

The main issue is how to model correlation/independence of beliefs concerning different opponents and chance. If correlation is allowed, the extension of our characterization is straightforward.

Self Admissible Sets (admissibility, normal-form analog of EFBRs) are defined *via* weak dominance relations, with no reference to beliefs.

Can we give a characterization of EFBRs that only uses conditional dominance relations, with no reference to beliefs? We do not know.



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