

Empirical Evidence on Repeated Sequential Games

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(joint work with Riccardo Ghidoni)

Abstract

Sequentiality of moves in an infinitely repeated prisoner's dilemma does not change the conditions under which mutual cooperation can be supported in equilibrium as compared to simultaneous decision-making. The nature of the interaction is different, however, given that the second mover in a sequential-move game does not face strategic uncertainty in the stage game. We study in an experiment whether sequentiality has an effect on cooperation rates. We find that with intermediate incentives to cooperate, sequentiality increases cooperation rates by around 40 percentage points after learning, whereas with very low or high incentives to cooperate, cooperation rates are respectively very low or high in both settings.