

PRISONERS' DILEMMA

NASH EQUILIBRIUM









Both Adam and David confess






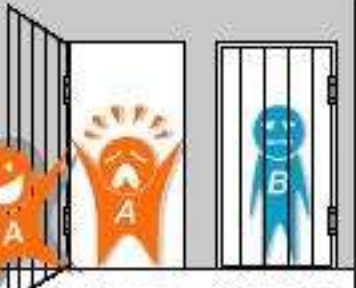

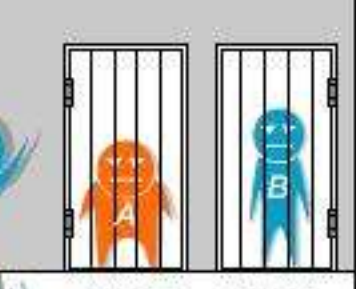


# Prisoners' dilemma

		prisoner B			
		confess		remain silent	
prisoner A	confess	 5 years	 5 years	 0 year	 20 years
	remain silent	 20 years	 0 year	 1 year	 1 year

# TIT FOR TAT

- Ultimately, game theorists have determined that the best strategy for the prisoner's dilemma is what's known as **tit for tat**.
- Cooperating on the first interaction and then echoing the other player's behavior for any further interactions.

Prisoners' dilemma		prisoner B	
		confess	remain silent
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	remain silent	 0 year 20 years	 1 year 1 year

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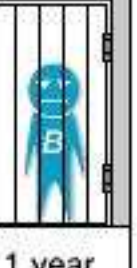
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