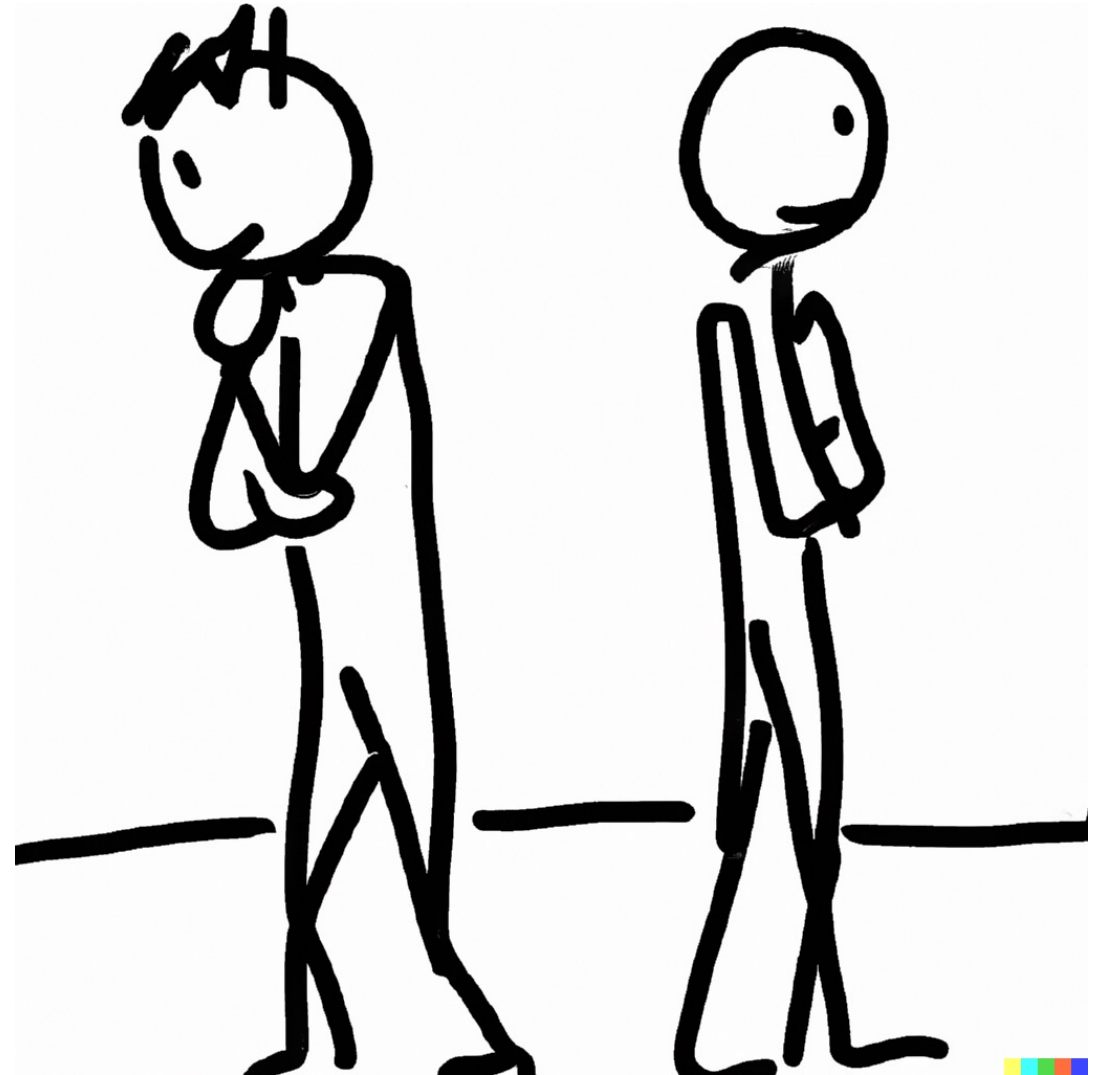


Strategic moves and commitment

Notes on Behavioural Economics

Jason Collins



		Player B	
		Straight	Swerve
Player A	Straight	-100, -100	10, 0
	Swerve	0, 10	1, 1

		Player B	
		Straight	Swerve
Player A	Straight	-100, -100	10, 0
	Swerve	0, 10	1, 1

		Player B	
		Straight	Swerve
Player A	Straight	-100, -100	10, 0

		Player B	
		Straight	Swerve
Player A	Straight	-100, -100	10, 0

Strategic move

- Unconditional: commitments
- Conditional: threats and promises

Commitment

- Observable
- Irreversible

Threats and promises

- “If you don’t clean your room, you won’t get dessert.”
- “If you clean your room, you can have dessert.”

Strategic move

- Unconditional: commitments
- Conditional: threats and promises

