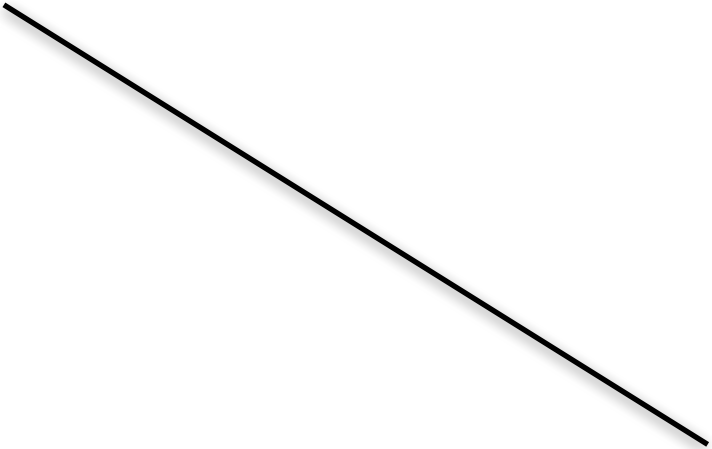





If country A  
cooperates

If country B  
cooperates



A gets:

\$960

B gets:

\$960

If country B  
cheats



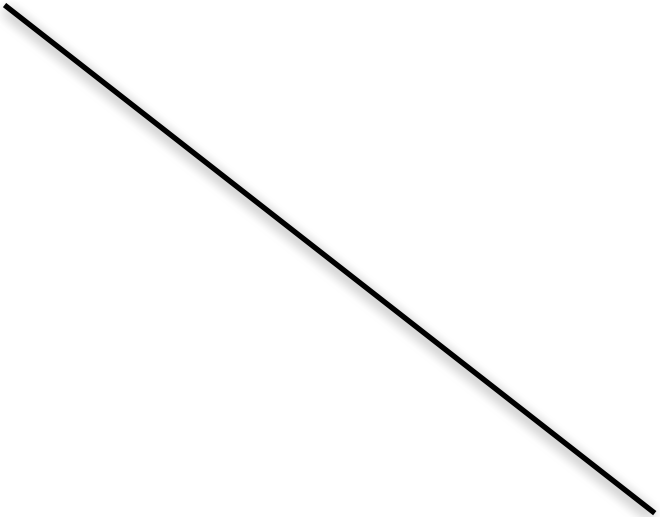
If country A  
cheats

A gets:

\$700

B gets:

\$700

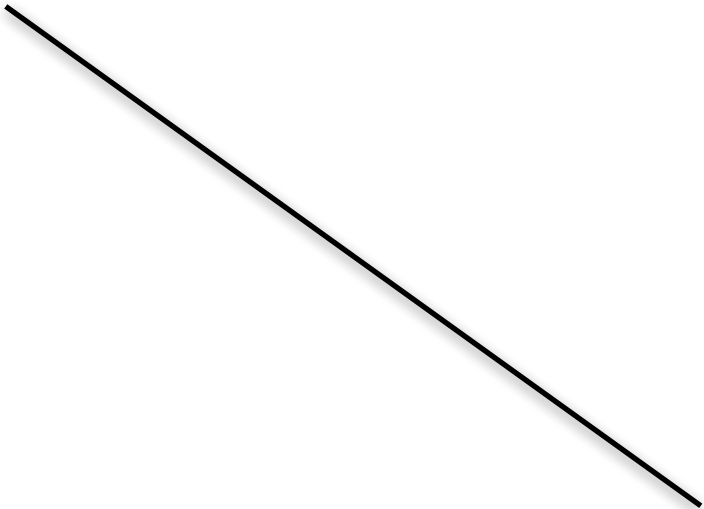


A gets:

\$1,260

B gets:

\$720



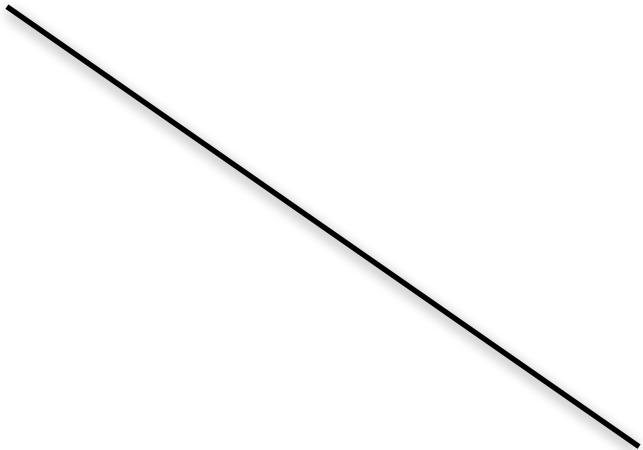
A gets:

\$720



B gets:

\$1,260



If country A  
cooperates

If country B  
cooperates

If country A  
cheats



We ignore this  
side of the  
matrix







B







a



S









9





S



















**V**



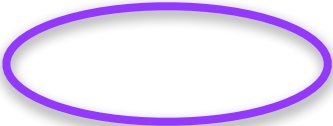


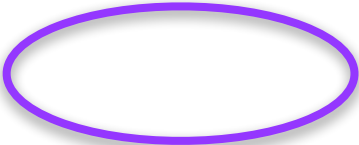


U



If B cooperates, it gets \$720 in revenue











U







**Y**

B





S

W











U



























a



S









U



S

W









B







2



S

What is the worst outcome for Country B if A cheats?



Country **B** only cares for its own revenue





U







**Y**



B



S

W













U



























e





a





S







U





S

W







B















2



e

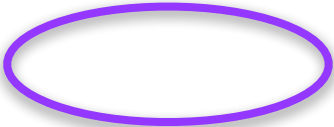


S



**Worst  
outcome:  
cheat**

**Worst  
outcome:  
Cooperate**



The **Maximin** Criteria: Choose the Strategy with the **maximum** of  
the **worst** outcomes

The **maximum** of these two “**worst**”  
outcomes is **\$960** when **country B**  
**cooperates**

**Maximin  
strategy for B:  
Cooperate**

If B cheats, it gets \$700 in revenue



Country B's worst outcome if  
A cheats occurs when B cheats

Country B's worst outcome if  
A cooperates occurs when B  
cooperates

# The **Maximin** Criteria: Choose the Strategy which the **maximum** of the **worst** outcomes

Country B's **worst outcome** if  
**A cooperates** occurs when B  
cooperates

Country B's **worst outcome** if  
**A cheats** occurs when B cheats

If B cooperates, it gets \$720 in revenue

If B cheats, it gets \$700 in revenue

	If country B cooperates	If country B cheats
If country A cooperates	B gets: \$960 A gets: \$720	B gets: \$1,260 A gets: \$720
If country A cheats	B gets: \$720	B gets: \$700 A gets: \$720

Maximin strategy for B: Cooperate

Worst outcome: Cooperate

Worst outcome: cheat

The **maximum** of these two "**worst**" outcomes is **\$960 when country B cooperates**

Revenues

If country A cooperates	<div>A gets: \$960</div> <div>B gets: \$960</div>	<div>A gets: \$720</div> <div>B gets: \$1,260</div>
If country A cheats	<div>A gets: \$1,260</div> <div>B gets: \$720</div>	<div>A gets: \$700</div> <div>B gets: \$700</div>