

If country A
cooperates

If country B
cooperates



A gets:

\$960

B gets:

\$960

If country B
cheats

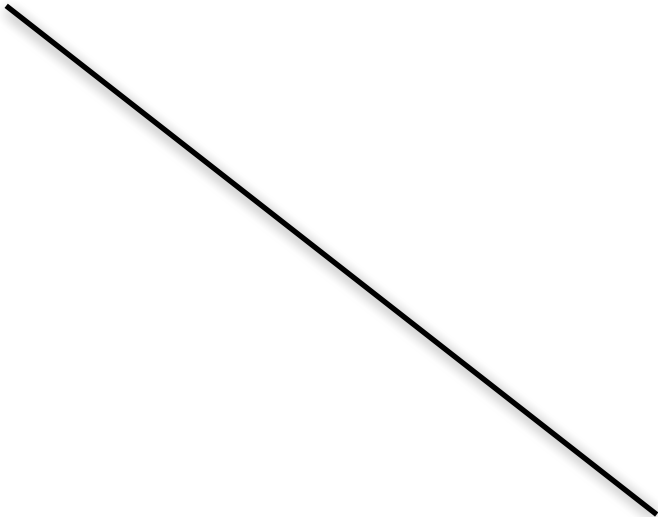
If country A
cheats

A gets:

\$840

B gets:

\$840



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

What is the worst outcome for country B if
A cooperates?

We ignore this
side of the matrix

We ignore A's
revenues





B







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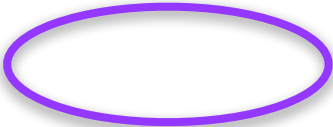


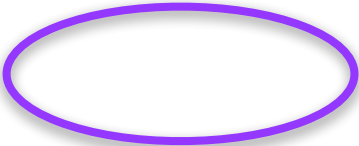


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If B cooperates, it gets \$960 in revenue





Country B's worst outcome occurs
if it cooperates

Let's find the "worst outcome" for Country B

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

If there is no Dominant Strategy, choose the least worse...

The Main Criteria

**Worst
outcome:
Cooperate**

If B cheats, it gets \$1,260 in revenue

The Maximin Criteria

Let's find the "worst outcome" for Country B

What is the worst outcome for country B if A cooperates?

Country B only cares for its own revenue

	Worst outcome: Cooperate	
	If country B cooperates	If country B cheats
If country A cooperates	B gets: \$960	B gets: \$1,260
Country B's worst outcome occurs if it cooperates		

We ignore this side of the matrix

If B cooperates, it gets \$960 in revenue

If B cheats, it gets \$1,260 in revenue

	If country B cooperates	If country B cheats
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>