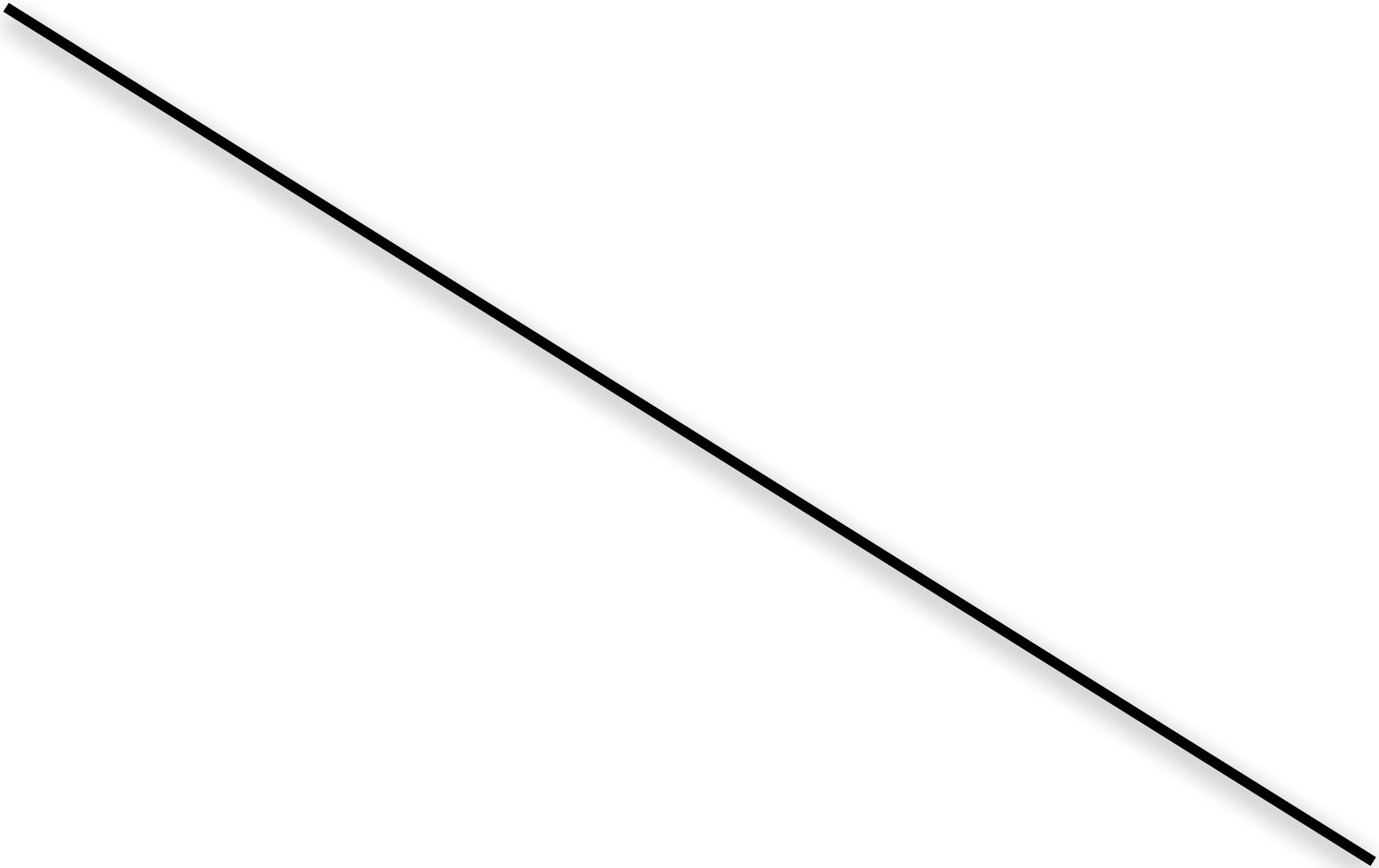
If country A cooperates

If country B cooperates



A gets:

$960

B gets:

$960

If country B cheats

If country A cheats

A gets:

$840

B gets:

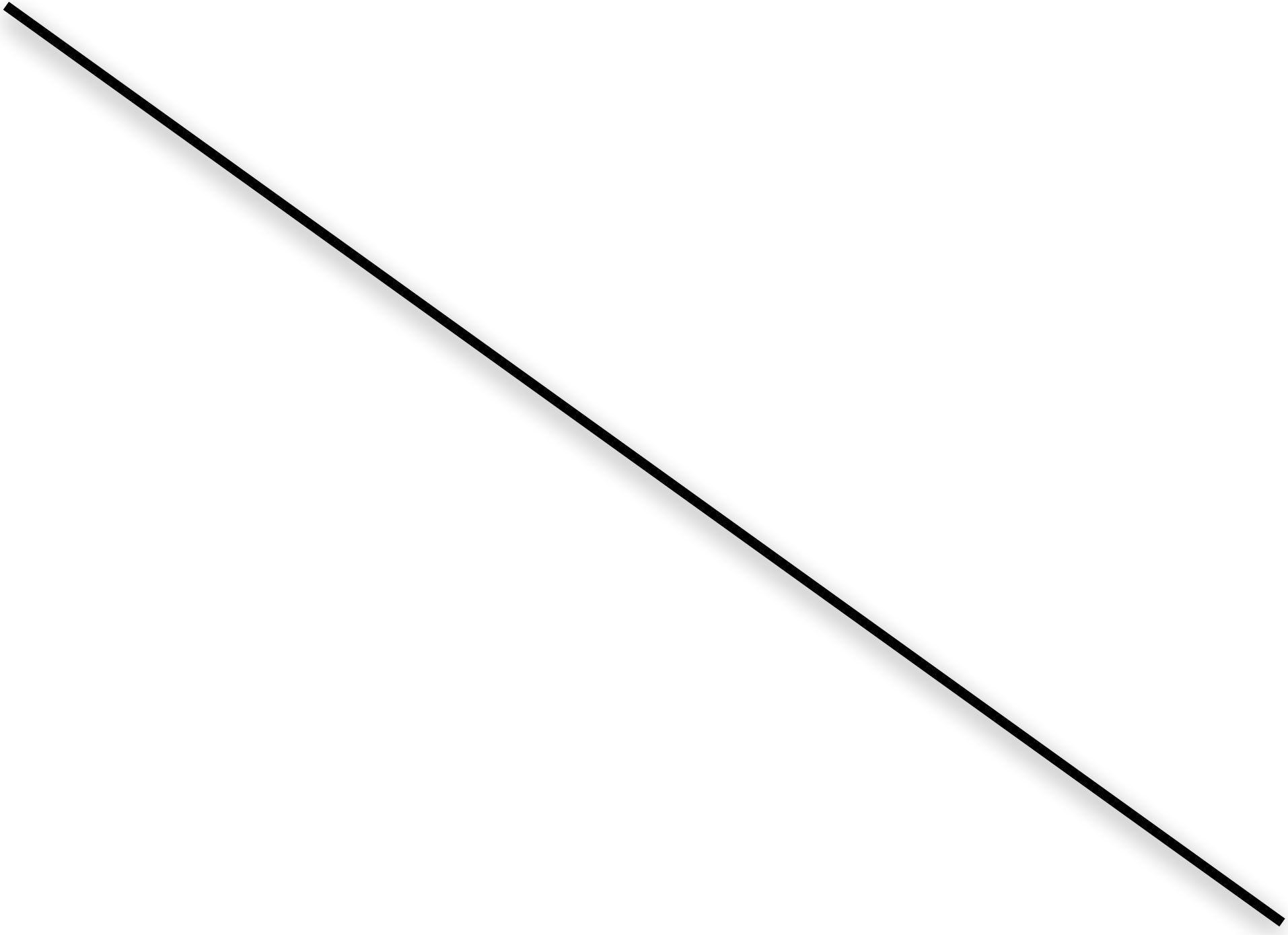
$840

A gets:

$1,260

B gets:

$720

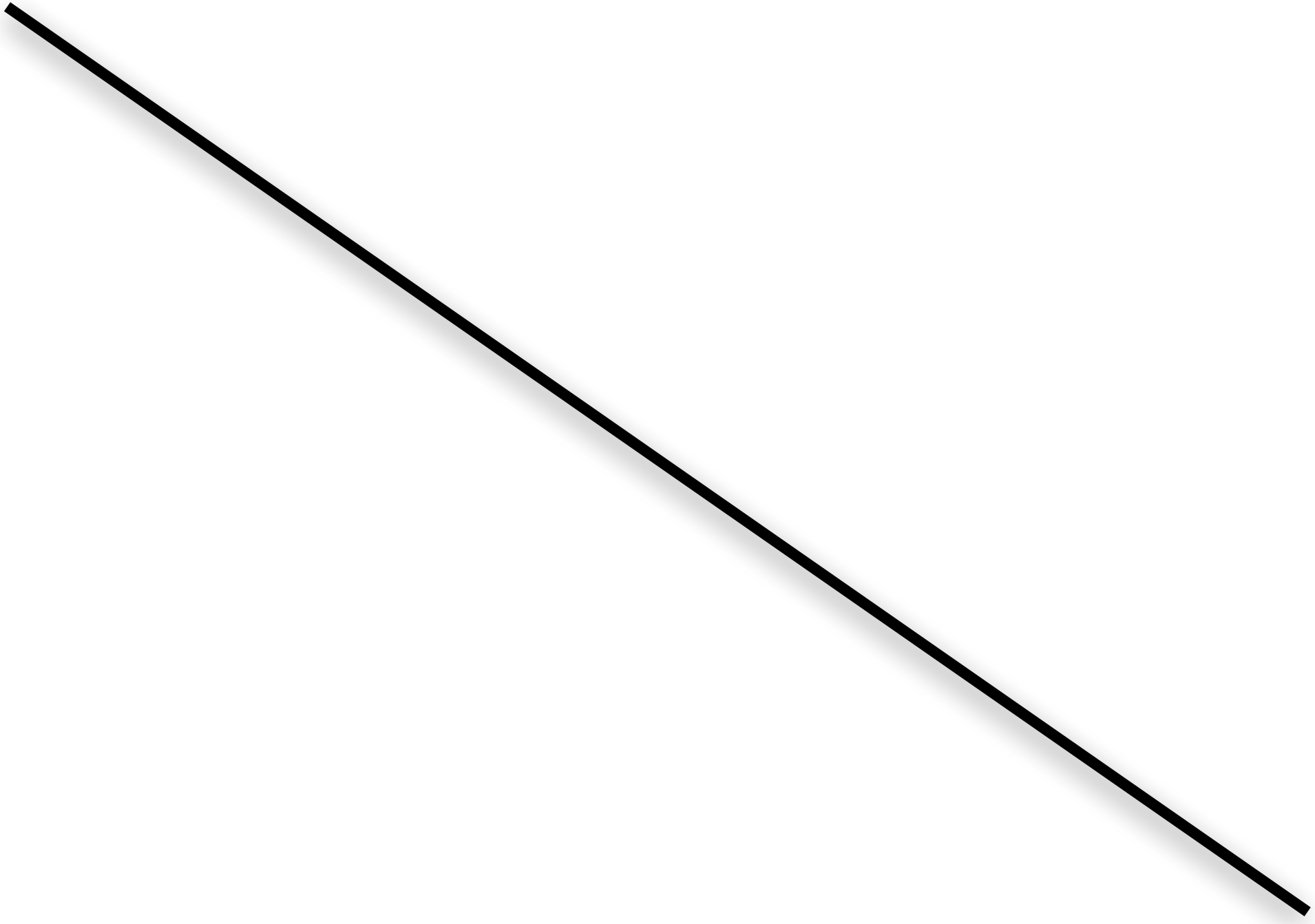


A gets:

$720

B gets:

$1,260

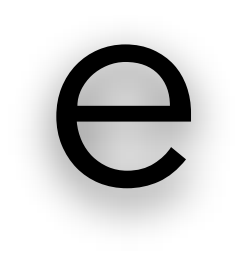


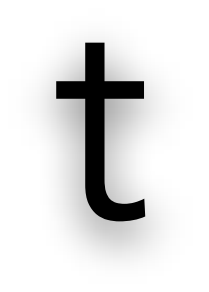
If country A cooperates

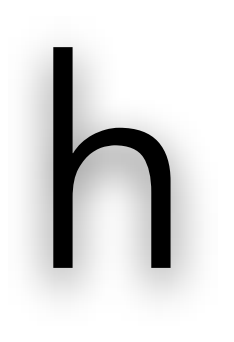
If country B cooperates

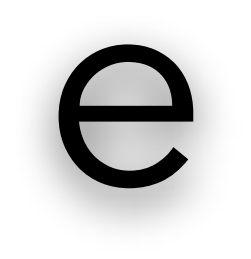
If country A cheats

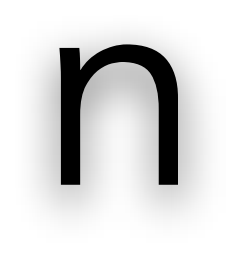
What should country A do if B cheats?

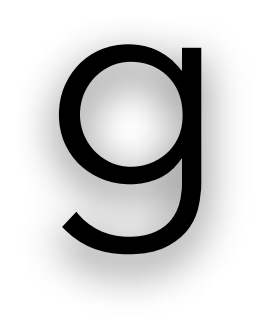


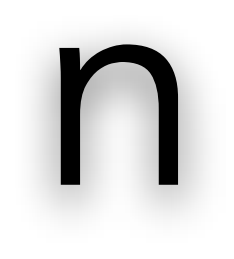


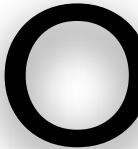


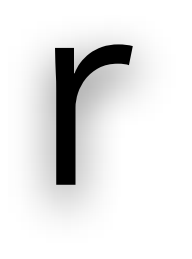


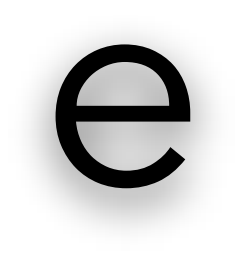

n

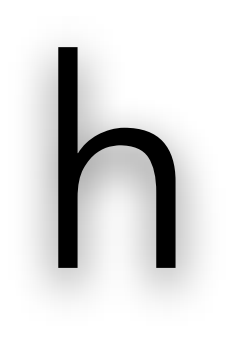


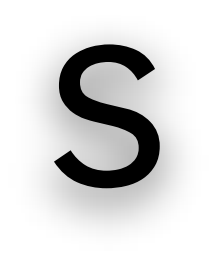

n



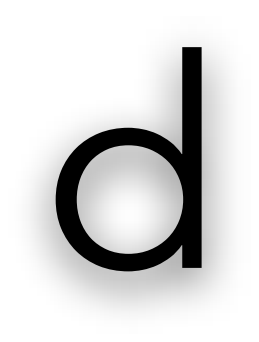

r

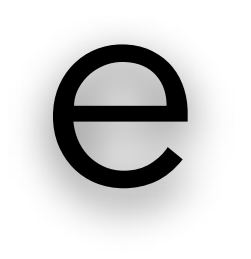


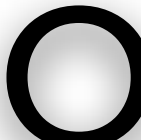

h

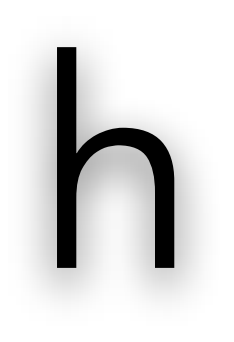


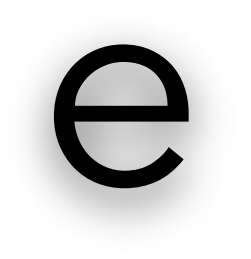
S

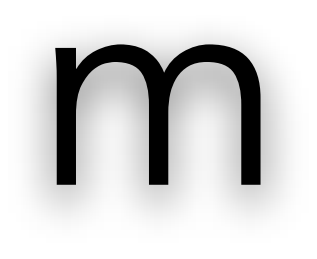




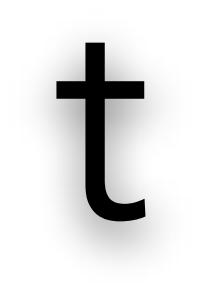


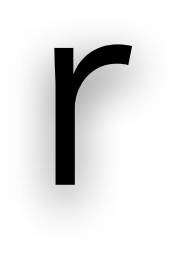


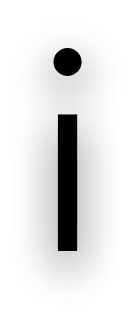


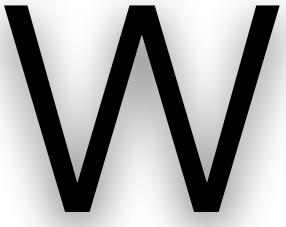


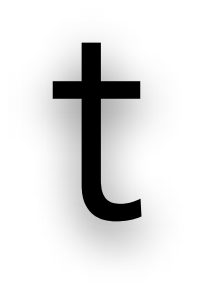
a

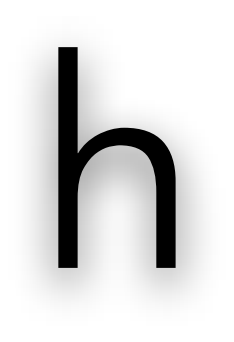


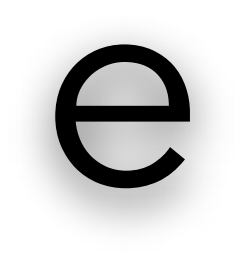

r

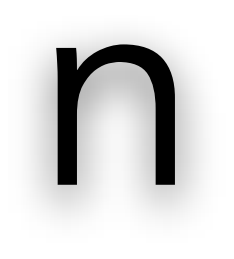


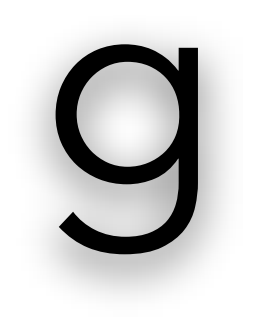


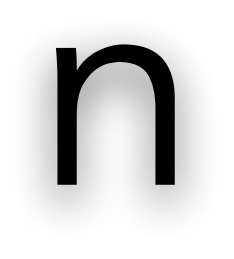


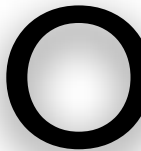

h

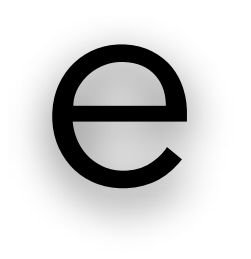


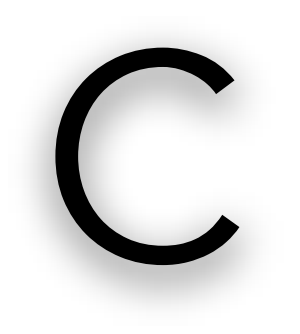

n

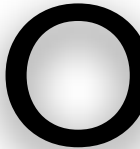


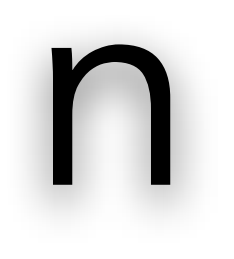

n

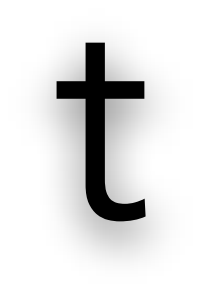


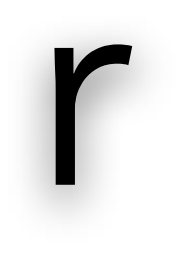


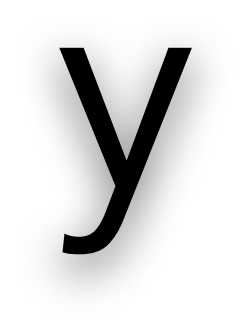


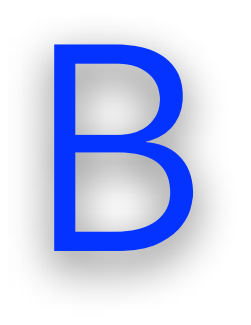


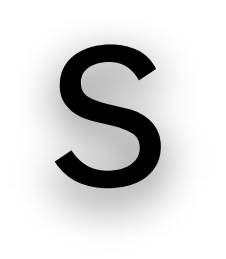

n

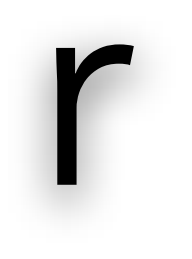


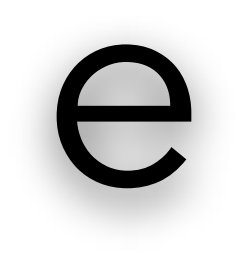


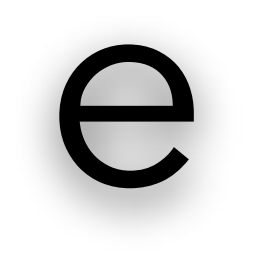

y

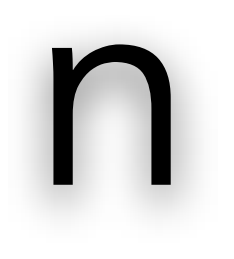

B



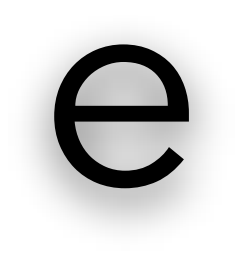


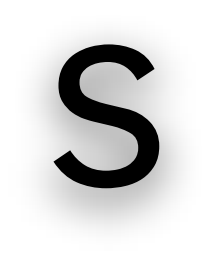


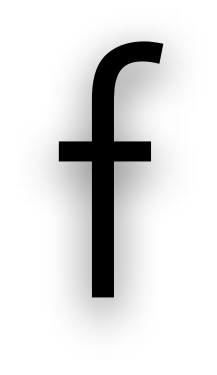


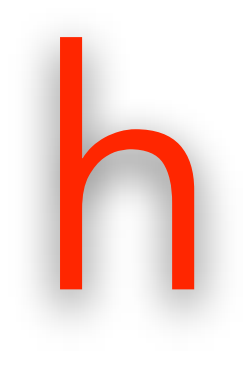

n

u

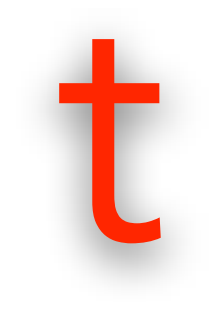


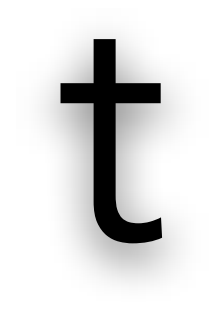


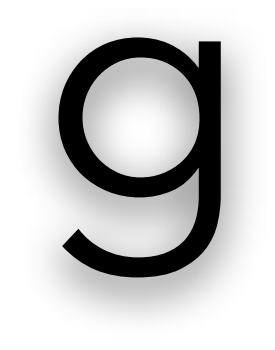


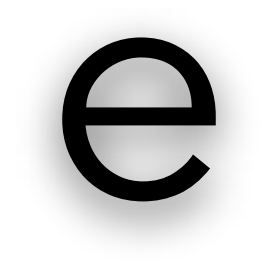

h

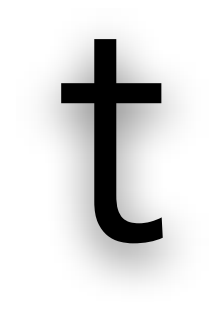
a



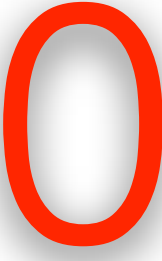


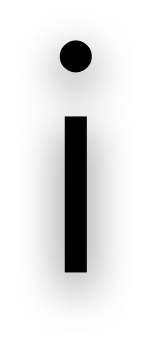

g

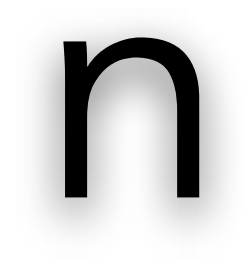


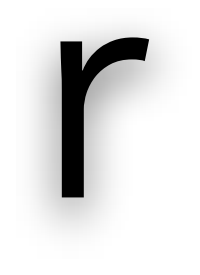


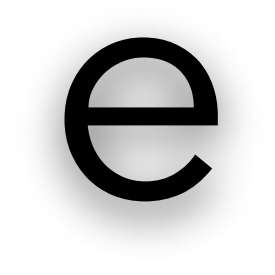
4

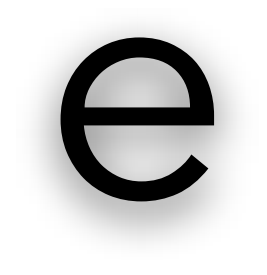


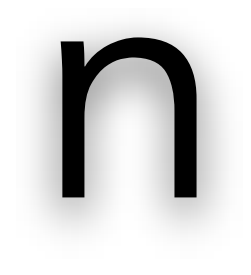


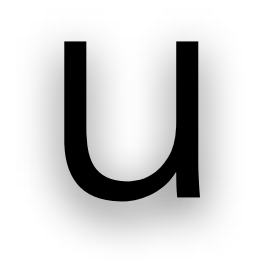


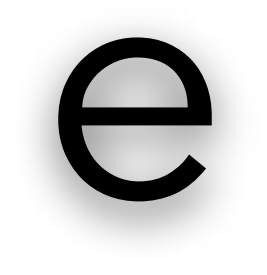

r



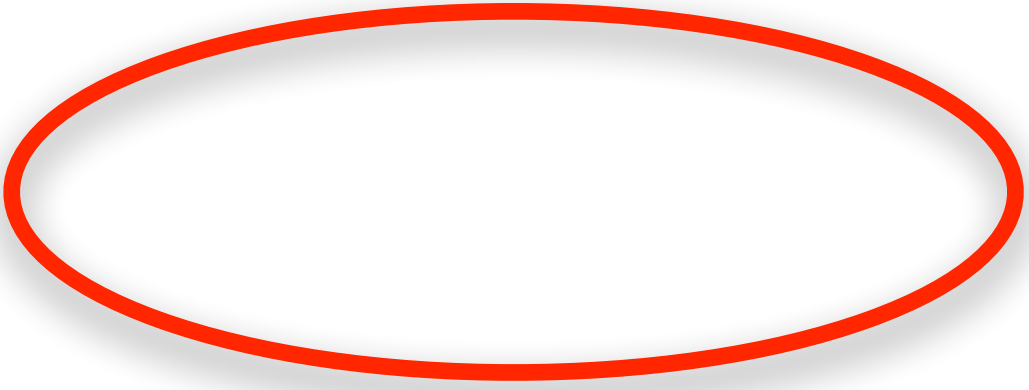


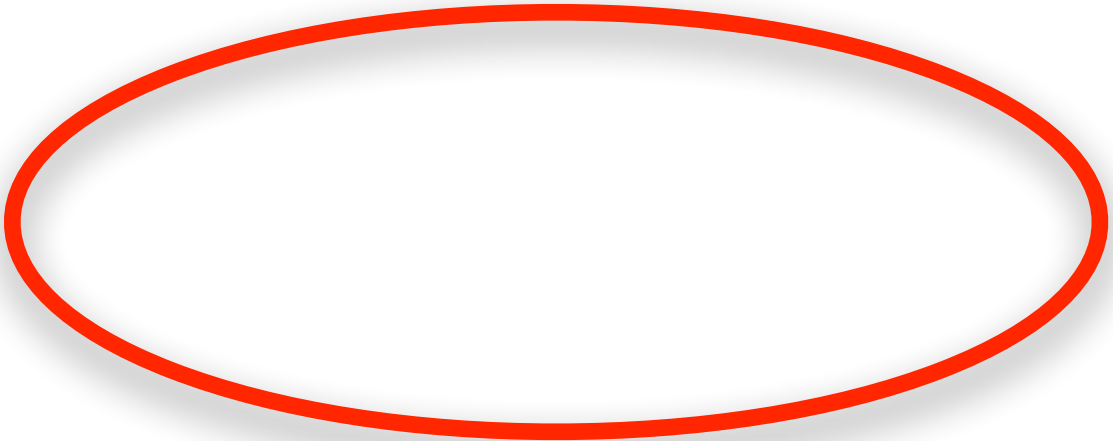


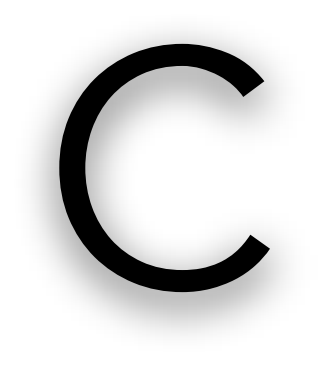


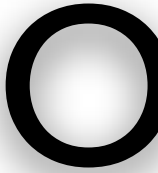


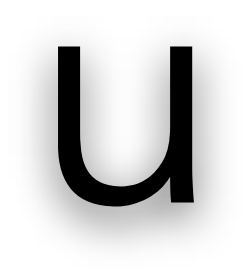
If A cooperates, it gets $720 in revenue

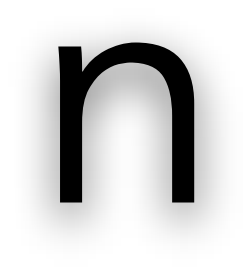


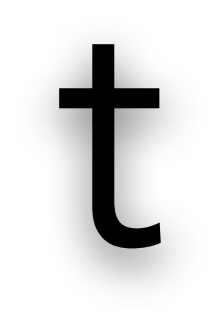


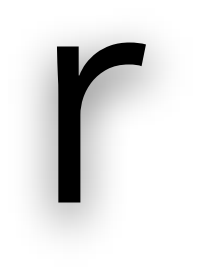


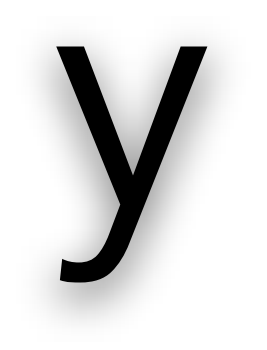


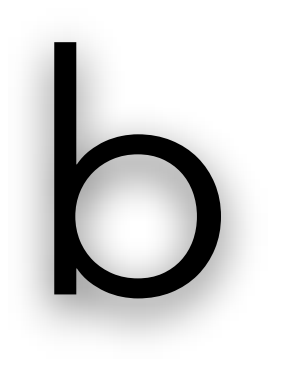


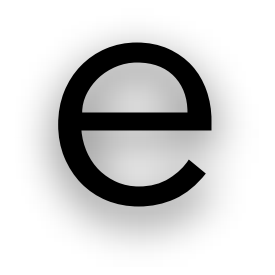


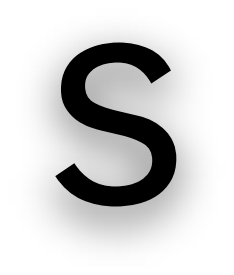


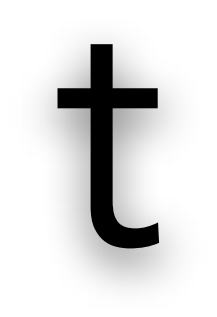


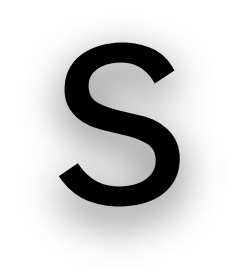

y

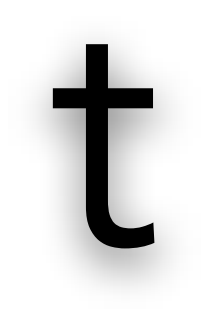


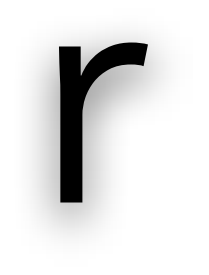


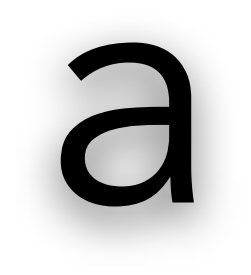


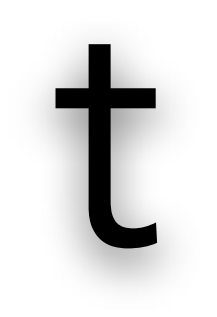


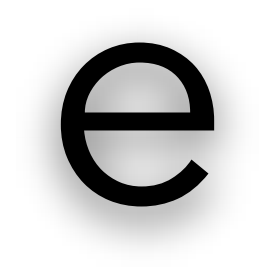


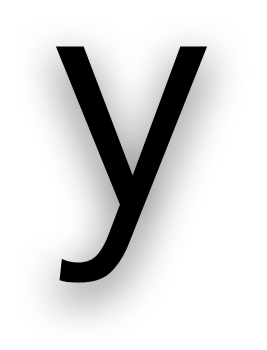


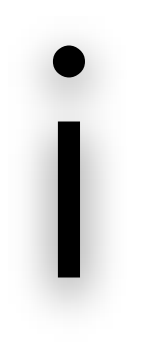


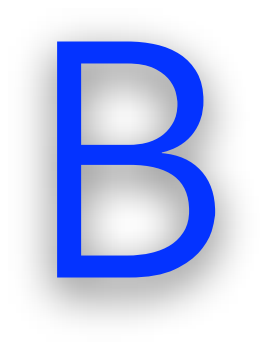

a





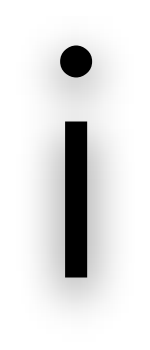

y

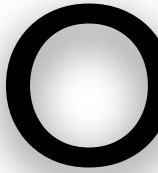




C

a

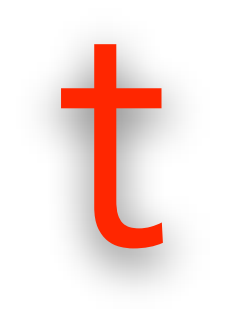




C

h

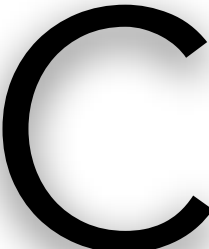
a

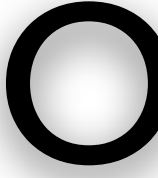


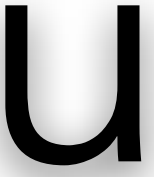
Let's find the best strategy for Country A

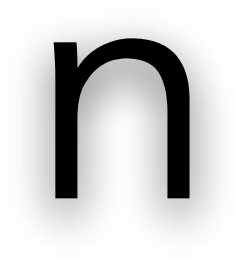
Country A only cares for its own revenue

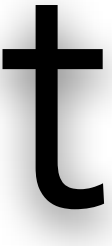
Best:
cheat

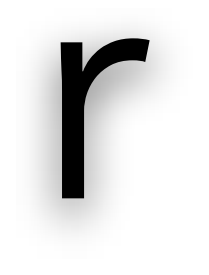


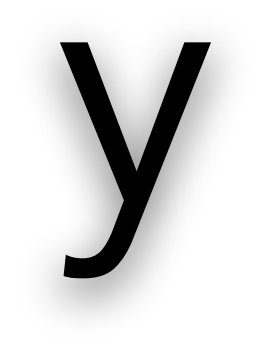


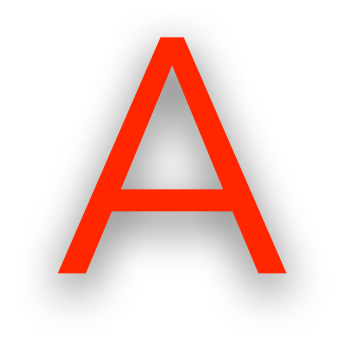


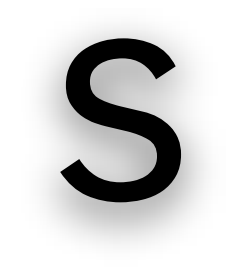

n

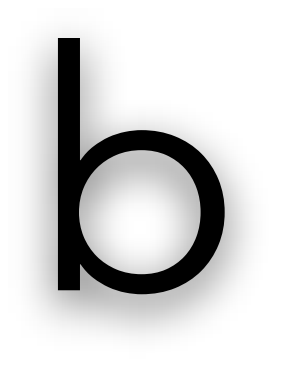


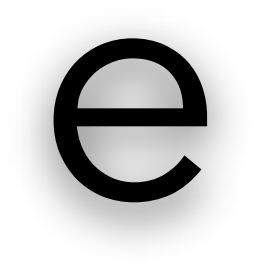


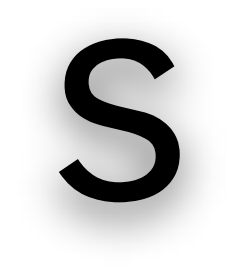

y

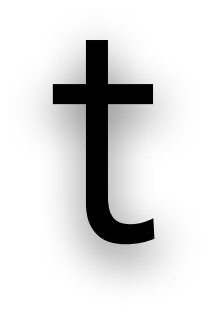

A

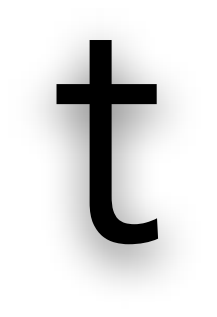


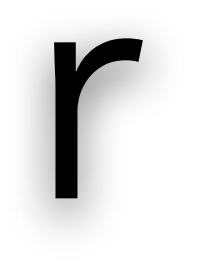




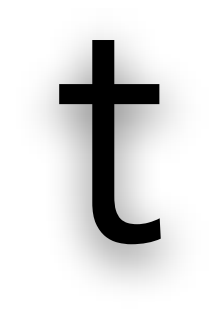

S

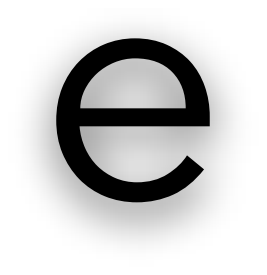


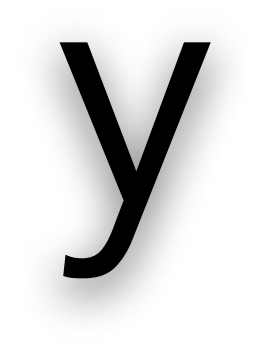


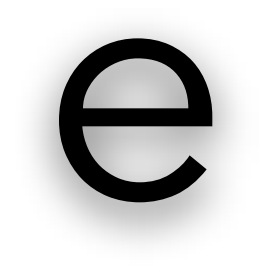


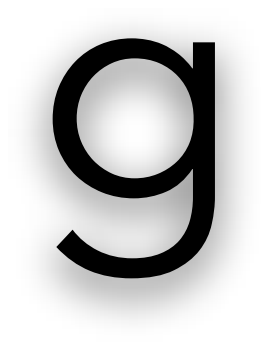
a



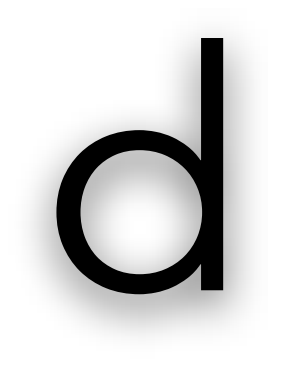


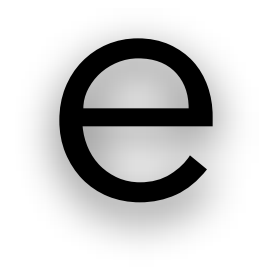

y

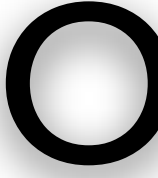


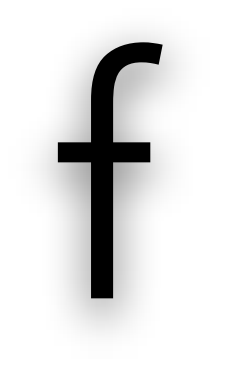


a

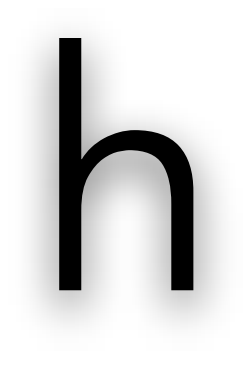




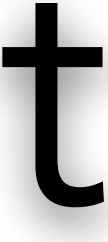


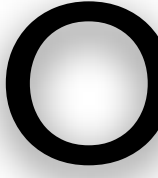


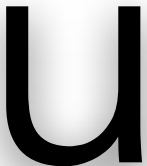
W

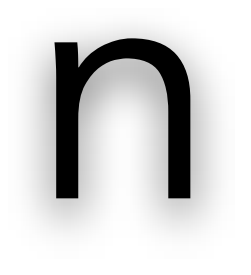


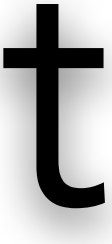
a

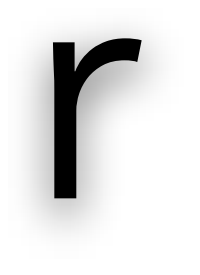


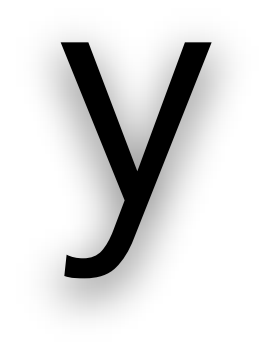


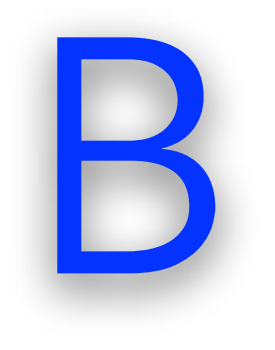


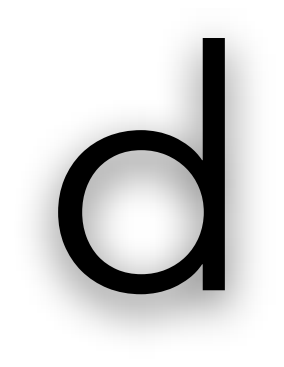

n

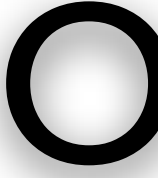


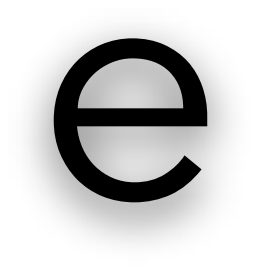


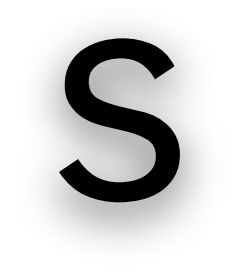

y

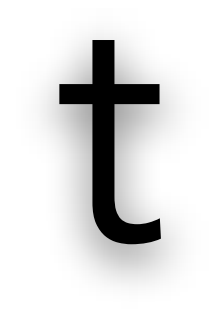

B

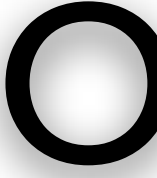




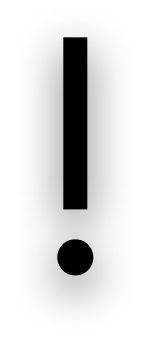








a



Dominant
Strategy:
cheat!

We then ignore this side of the matrix

We then ignore Country B's revenues

If A cheats, it gets $840 in revenue

Country A's best strategy if B cheats is to cheat

Country A's best strategy regardless of what country B does is to cheat!

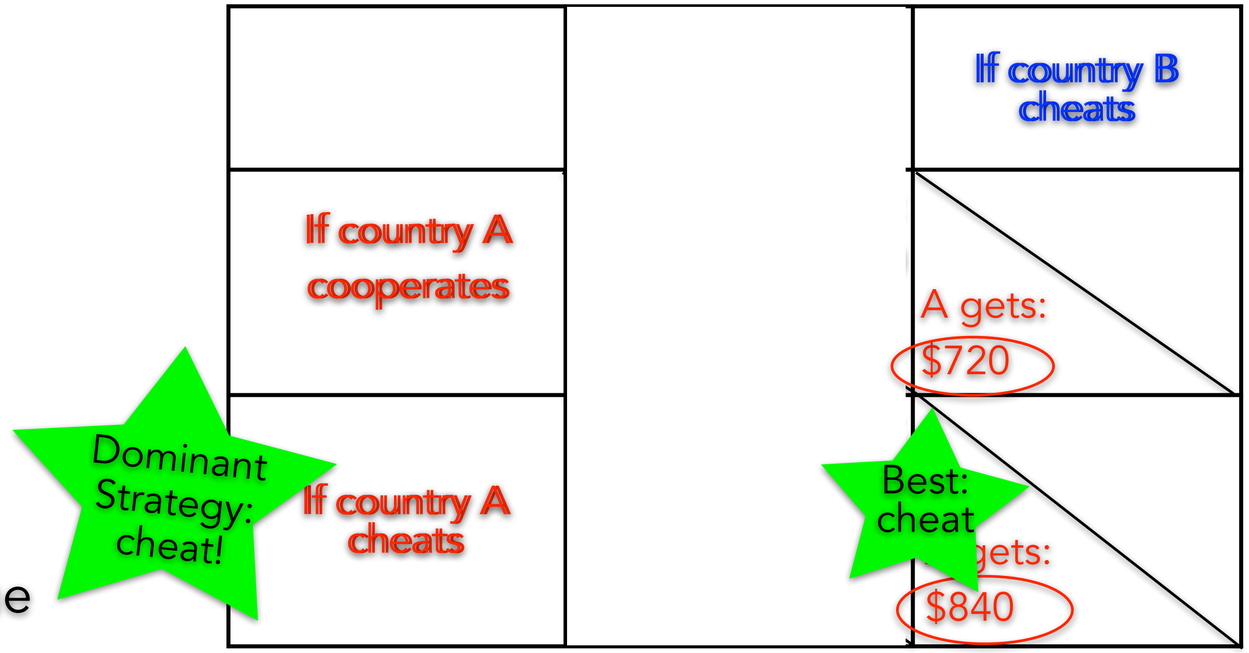
Let's find the best strategy for Country A

What should country A do if B cheats?

Country A only cares for its own revenue

We then ignore this side of the matrix

We then ignore Country B's revenues



Country A's best strategy regardless of what country B does is to cheat!

If A cooperates, it gets $720 in revenue

If A cheats, it gets $840 in revenue

Let's find the best strategy for Country B

	If country B cooperates	If country B cheats
If country A cooperates	B gets: $960 A gets: $960	B gets: $1,260 A gets: $720
If country A cheats	B gets: $720 A gets: $1,260	B gets: $840 A gets: $840