




If country A  
cooperates

If country B  
cooperates



A gets:

\$960

B gets:

\$960

If country B  
cheats



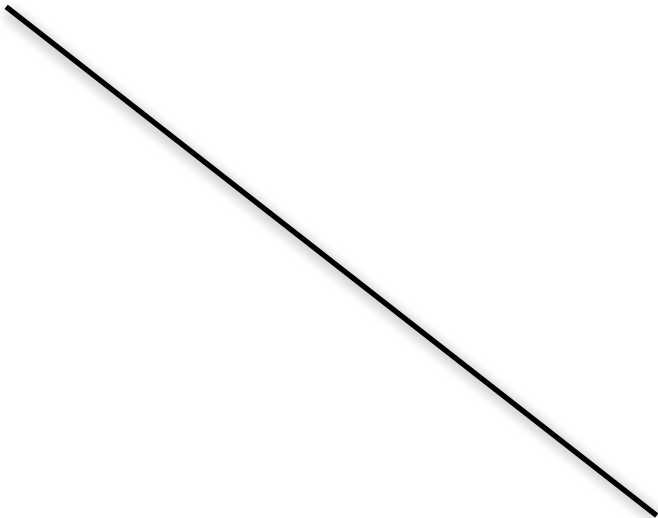
If country A  
cheats

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** cooperates?



W















9



















S























6









W































U









**V**

B



S





V



























a



S















S







2



6











**V**







U



If A cooperates, it gets \$960 in revenue











U







**V**





S



**b**



S



S





2







g

**Y**





B















2



e



S



S













2



Let's find the best strategy for Country **A**

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



Best:  
cheat

We then ignore  
this side of the  
matrix

We then ignore  
country B's  
revenues

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



Country **A**'s best strategy if **B**  
cooperates is to **cheat**

Let's find the best strategy for Country A

What should country A do if B cooperates?  
Country A only cares for its own revenue

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

If A cooperates, it gets \$960 in revenue  
If A cheats, it gets \$1,260 in revenue

We then ignore country B's revenues  
We then ignore this side of the matrix

	If country B cooperates	
If country A cooperates	A gets: \$960	
If country A cheats	Best: cheat A gets: \$1,260	

Let's find the best strategy for Country A

	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: \$840</div> <div>B gets: \$840</div>