Name _____

Section _____

PS 160 Intro to World Politics
European Standards and the First Mover Advantage

France and Britain have decided to construct the Channel Tunnel, or 'Chunnel,' so that cars, trains, and trucks can cross the English Channel more easily by traveling under it rather than crossing on the surface. Now the two states must decide which side of the Chunnel will be eastbound, and which westbound. If left to their own devices, France would most prefer to have vehicles driving on the right-hand side of the road, as is the regular pattern in France; Britain would most prefer to have vehicles driving on the left-hand side of the road, as is the regular pattern in Britain. If for some reason either cannot have its most preferred outcome, it would prefer to drive on the same side as the other; failure to come to an agreement means continual undersea vehicle collisions as cars coming from France run head-on into ones coming from Britain, and this outcome has no utility for either player.

1. Who are the actors in this game? What options are they selecting between?

2. List the 4 possible *outcomes* for each player, and rank for each in order of preference. (HINT: two of the outcomes have the same utility!)

Britain: France:

3. Create two extensive form games, one where France moves first and one where Britain moves first. Be sure to indicate nodes, actors, and payoffs properly. Solve by backwards induction.

4. Does the identity of the first decision maker matter in determining the outcome? Why?

5. In reality, Britain and France must choose simultaneously. Convert this to a single strategic-form game and solve. What does your solution suggest?

C: _____

R:

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