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# Tragedy Of The Commons

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## DEFINITION of 'Tragedy Of The Commons'

An economic problem in which every individual tries to reap the greatest benefit from a given resource. As the demand for the resource overwhelms the supply, every individual who consumes an additional unit directly harms others who can no longer enjoy the benefits. Generally, the resource of interest is easily available to all individuals.



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## BREAKING DOWN 'Tragedy Of The Commons'

The tragedy of the commons occurs when individuals neglect the well-being of society (or the group) in the pursuit of personal gain. For example, if neighboring farmers increase the number of their own sheep living on a common block of land, eventually the land will become depleted and not be able to support the sheep, which is detrimental to all.

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### Resource Curse

A paradoxical situation in which countries with an abundance ...

### Public Good

A product that one individual can consume without reducing its ...

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A business relationship between a private-sector company and ...

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### Iterated Prisoner's Dilemma

A normal prisoner's dilemma played repeatedly by the same participants. ...

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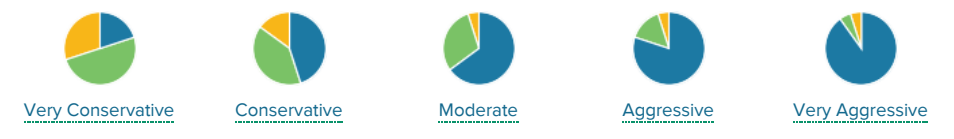
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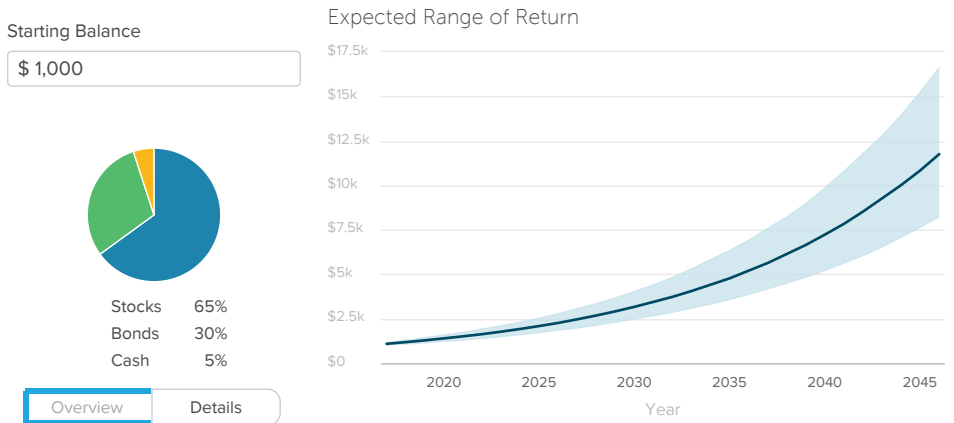
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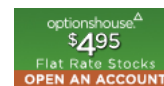
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