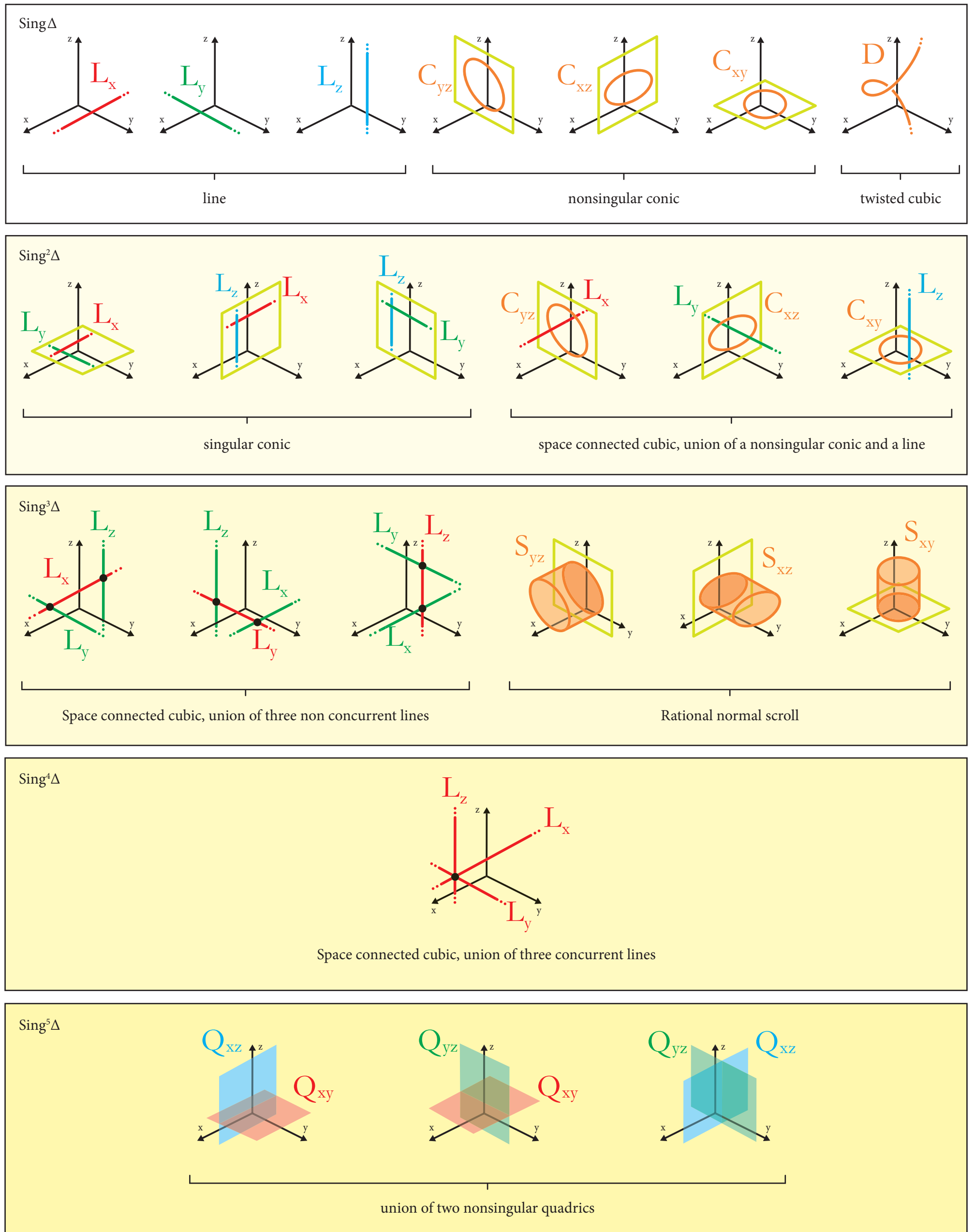


A VECTOR BUNDLE APPROACH TO NASH EQUILIBRIA



The Nash discriminant variety is defined as the algebraic variety of n -player games X in normal-form whose Nash equilibrium scheme Z_X is either nonreduced or has a positive dimensional component. In the case of three-player binary games, it is an irreducible hypersurface Δ of degree 6 in \mathbb{P}^{11} . An element of $\mathbb{P}^{11} \setminus \Delta$ corresponds to a (generic) game X such that Z_X consists of two distinct points. A nonsingular point of Δ corresponds to a game X such that Z_X is a point of multiplicity two. A singular point of Δ corresponds to a game X such that Z_X is either a line, a nonsingular conic, or a nonsingular twisted cubic. This is illustrated in the first row with seven irreducible components of the singular strata of Δ .

