

## 2) Institutional Emergence (2): A Simple Benchmark – The Static (Single-Shot) PD Supergame Solution

- example and a variant: *non-enviuousness* (not being too “*rational*”) (K. Basu, *The Traveler’s Dilemma* (TD), AER 1994, The Scientific American, 5/20/2007). The two- choice version (numerical example):

100, 100      97, 101

101, 97      2, 2. (*downward induction!*)

- example and a variant: *The Public Good Contribution Game* (PGC-G)/*Common Pool Resource Game* (CPR-G) (e.g. E. Ostrom et al. 1992). The simple two-choice two-agents version (and an ‘additive’ public good), numerical example:

$5-3+2+2=6$ ;  $5-3+2+2=6$        $5-3+2=4$ ;  $5+2=7$

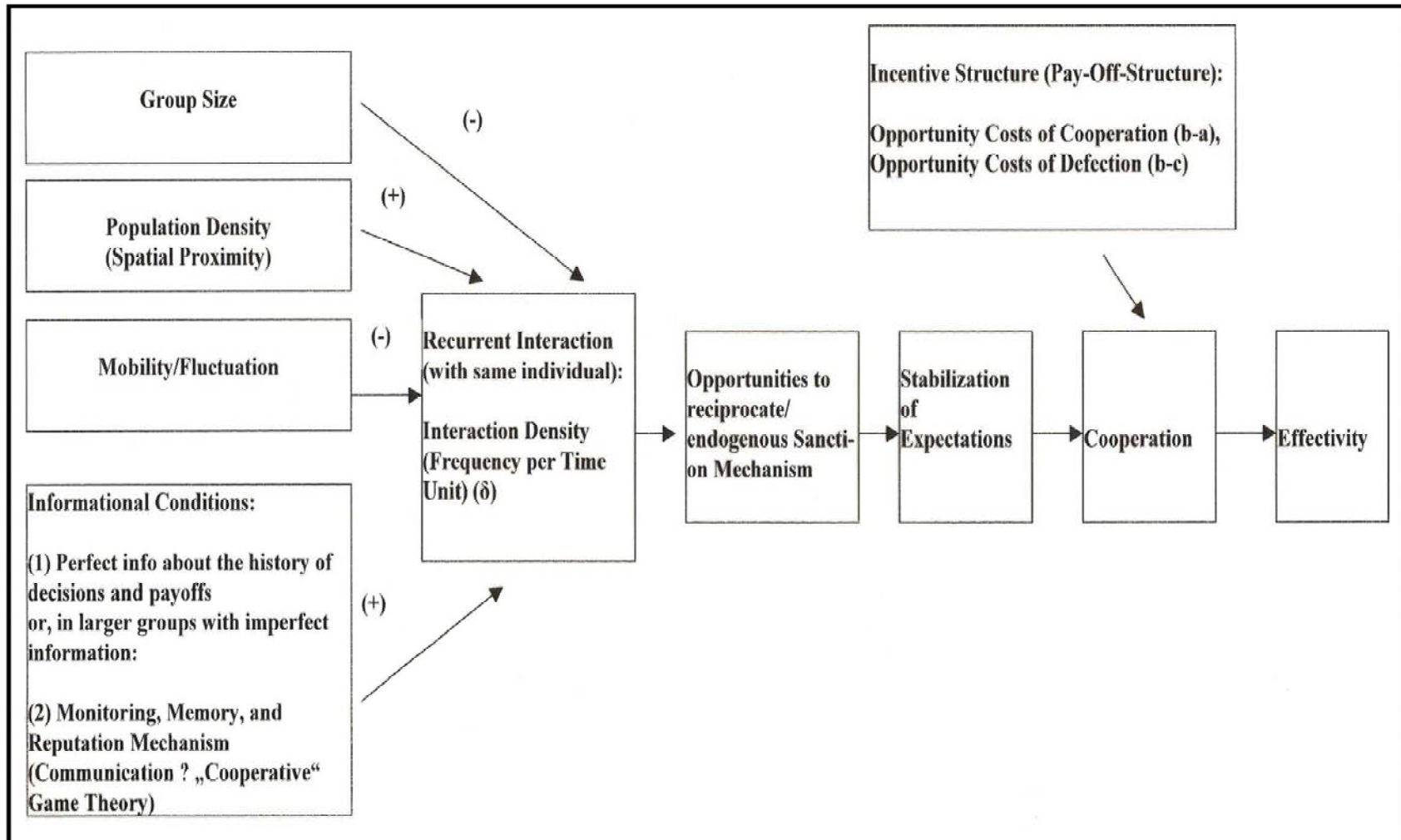
$5+2=7$ ;  $5-3+2=4$       5; 5

- example and a variant: from the PD-SG to the *Stag Hunt/ Assurance Game* (J.J. Rousseau (1762), A.K. Sen (1967), B. Skyrms (2004)) (*see below, Part V*).

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- ***policy* implications for (1) agents involved, (2) private neutral advisors, (3) public policy makers:**
  - o **change the incentive structure**
  - o **change the weight of the common future for the agents**
- ***applied* socio-economic interpretation ...**

# Socio Economic Conditions in Recurrent Collective-Good Decisions („Prisoners' Dilemma“-Super Game) (s. below Part IV.)



# **Core Conceptions III: “Institutional Emergence”**

## **3) Institutional Emergence (3): ‘Games That “Play People”’ – The Example of the “Tragedy of the Commons”**

**H. Alverson, ‘Culture and Economy: Games That “Play People”’, JEI 1986:**

- institutions “playing” the set of people, rather than the reverse
- neoclassicism: a presupposed “human nature” as a pre-cultural cause
- modern anthropology: “human nature” as a set of genetically endowed potentialities, not itself determining culture. Rather, “ecology”, “ideology” (symbols, language, the “conditions of knowledge”, beliefs and values), and institutions together define “culture”
- comparative analysis of cultural forms of exchange and transaction: “*market economy*” vs. “*gift economy*”
- a “*tragedy of the commons*” or none ...

### 3) Institutional Emergence (3): ‘Games That “Play People”’ – The Example of the “Tragedy of the Commons”, Cont’d. Ideal Individualist Culture (no Cooperation) vs. Gift Economy

*Illustration 2: Individualistische Kultur mit unvollständiger Information über die Interdependenzstruktur.*

?	d, b
b, d	c, c

*Illustration 5: Gift-Economy.*

a, e	

mit  $a \neq e$ .

**gift economy:  
no equivalence  
nor even  
reciprocity;  
gifts  
independent of  
each other.<sup>75</sup>**