

# The Social Contract & the Prisoner's Dilemma

**PHIL 102**

**Ethics, Politics, & Law**

**Lecture Ten**

# (Economic) Rationality

- Firms maximize profits
- Individuals maximize personal utility
- Long run versus short run maximization
- Ethical egoism
- Self-interest, not necessarily selfishness
- The rational choice is that which maximizes personal utility

# Prisoner's Dilemma

- Game theory
- Strategic games
- Making the rational play
- Original version of the prisoner's dilemma
- Playing against a random computer
- Playing against a rational opponent

# Prisoner's Dilemma

	<b>You play Heart</b>	<b>You play club</b>
<b>Computer plays heart</b>	<b>You get 3</b>	<b>You get 5</b>
<b>Computer plays club</b>	<b>You get 0</b>	<b>You get 1</b>

# Prisoner's Dilemma

- Let's play!
- My rational play
- Your rational play
- Club is dominant play
- The paradox
- Can we strike a deal?
- Let's play again

	You play Heart	You play club
Jeff plays heart	You get <b>3</b> Jeff gets <b>3</b>	You get <b>5</b> Jeff gets <b>0</b>
Jeff plays club	You get <b>0</b> Jeff gets <b>5</b>	You get <b>1</b> Jeff gets <b>1</b>

# Solutions to the Prisoner's Dilemma

- Bargains
- Bargaining to law and government
  - State of nature
  - Social contract
- Rules and sanctions
- Cultural rules and sanctions
- Moral rules
- Innate rules and sanctions?