

The **contractarian view of the state** sees the creation of the state as resulting from a social contract between individuals in the state of nature in which the state provides security in exchange for obedience from the citizen.

we take a look at the **contractarian view of the state** and the quite different predatory view of the state.

THE CONTRACTARIAN VIEW OF THE STATE

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Early modern political thinkers like Hobbes (1651/1994), Locke (1690/1980), and Rousseau (1762) engaged in thought experiments in order to help them think more clearly about the role of the state in contemporary life. What they asked was, would social relationships among men (and, we would add, women) be like in a world without states or governments? How would people behave if they did not have to fear being punished by authorities if they stole things or engaged in opportunistic behavior at the expense of their neighbors? In effect, they asked what life would be like in a "state of nature," in which there was no government.¹⁰

The State of Nature

Thomas Hobbes famously described life in the state of nature as a "war of every man against every man" in which life was "solitary, poor, nasty, brutish, and short" (Hobbes, 1651/1994, chap. 13).¹¹ He believed that individuals in the state of nature faced a dilemma. Given a certain degree of equality between individuals, each citizen recognized that he could gain by attacking his neighbor in a moment of vulnerability (say, while his neighbor slept).

Each citizen knew, however, that his neighbors were probably thinking exactly the same thing about him. Hobbes believed that even the weakest individual in the state of nature had enough power to overcome the strongest, either by trickery or by joining forces with others threatened by the power of the strongest, if he chose (chap. 13). In this type of situation, it is clear that the individuals in the state of nature would all be better off if they abstained from taking advantage of their neighbors than they would be in a "war of all against all." Still, if an act of violence or theft were to take place, it would obviously be far better to be the attacker or thief than the victim. Without a "common power to keep them all in awe," this was the dilemma that faced individuals in the state of nature (chap. 13).

The brief history of Somalia that we have just presented should clearly illustrate what life is like without a state. It should also underline the importance of understanding where the "state" actually comes from. This is a question that has drawn the attention of political theorists and political scientists for centuries. In what follows, we might expect to find in the state of nature. Social contract theorists argued that there was something fundamental about the very structure of the situation characterizing the state of nature that made it difficult for citizens to behave themselves.

You might think that this discussion is really about barbarous individuals and that it is therefore quite remote from the concerns of elevated individuals such as ourselves. It is important to recognize, however, that social contract theorists like Hobbes, Locke, and Rousseau did not claim that life in the state of nature was problematic because of any particular moral failing on the part of the individuals involved. In fact, Jean-Jacques Rousseau worried about "modern" man and had quite romantic notions about the "noble savages" that we might expect to find in the state of nature. Social contract theorists argued that there was something fundamental about the very structure of the situation characterizing the state of nature that made it difficult for citizens to behave themselves.

Game theory can be used to shed light on the structural aspects of the state of nature that might lead to problems. We begin by describing a stylized interaction between two individuals in the state of nature using Hobbes's own language. Imagine that there are two individuals who both desire "the same thing [say, a plot of land], which nevertheless they cannot both enjoy." In the absence of protection from a third-party enforcer, an "invader hath no more to fear than another man's single power" (Hobbes, 1651/1994, chap. 13). Consequently, "if one plants, sows, builds, or possesses a convenient seat, others may probably be expected to come prepared with forces united, to dispossess and deprive him, not only of the fruit of his labour, but also of his life or liberty. And the invader again is in the like danger of another" (chap. 13). Under these conditions, "there is no place for industry" because the industrious have no confidence that they will be able to control the fruit of their labor (chap. 13).

What is Hobbes really saying here? In this stylized interaction, both men have essentially two actions that they can take: they can choose to "steal," or they can choose to "refrain" from stealing.¹² If a man refrains from stealing, then he is essentially choosing to earn a living by doing something productive rather than by stealing. What should the men do? The choice facing each man is complicated because one man's choice of what to do depends on what he thinks the other man will do. As we saw in the last chapter, game theory is an extremely useful tool for analyzing these types of strategic situations. We can think of this interaction between two men in the state of nature as a game. In the previous chapter, we used an extensive form game to examine how individuals respond to negative changes in their environment. In this chapter, we are going to use a normal, or strategic, form game to examine how individuals might behave in the state of nature. Recall that an extensive form game employs a game tree that allows us to see what happens when the players take turns to make decisions; that is, there is a specific sequence of play as illustrated by the branches and decision nodes in the game tree. In contrast, a normal or strategic form game employs a **payoff table** that allows us to see what happens

¹⁰ We have described these theorists as engaging in thought experiments, but some have claimed that these theorists really believed that government was not a natural condition and that people had at one time actually lived in a state of nature (Baratash 2006, 65).

¹¹ Hobbes's notion of the "state of nature" is remarkably similar to the notion of "anarchy" used by realist international relations scholars today, just as Hobbes referred to the condition in which individuals live in the absence of government as the state of nature. Realist international relations scholars refer to the international environment in which individual states live in the absence of a world government as anarchy (Waltz 1979). Like Hobbes, realist international relations scholars believe that anarchy is characterized by a security dilemma in which states are constantly engaged in conflict as they seek to increase their power.

¹² To the extent that steal presupposes the concept of property, this choice in the state of nature is slightly inaccurate. This is because Hobbes explicitly denies that the concept of property can exist in the state of nature. A more accurate term, then, might be *dispossession*.

when the players make decisions at the same time; that is, decisions are made simultaneously in normal form games rather than sequentially.

Figure 4.1 illustrates the "empty" payoff table of the normal form game that captures our stylized interaction between two men, whom we'll call A and B, in the Hobbesian state of nature. Each player must decide whether to steal or refrain. There are four possible outcomes:

- Both players refrain (top left cell), both players steal (bottom right cell), player A steals but both players refrain (top left cell), and player A refrains but player B steals (top right cell).

What do you expect the players to do in this game? As before, you cannot really answer this question without knowing how much each of the players values the possible outcomes. In other words, you need to know the payoffs that the players associate with each outcome. Based on what Hobbes says, how do you think that the players might rank each outcome? One interpretation is that each player's best outcome is to steal the other actor's belongings and to keep his own. In other words, a player's best outcome occurs when he steals and the other player refrains. The worst outcome is the exact opposite of this; that is, he refrains and the other player steals his belongings. Between these two fates are the outcomes in which both players refrain and both steal. It seems clear from Hobbes's description of the state of nature that individuals would prefer the former (both refrain) to the latter (both steal). They would prefer this outcome because when both actors choose to "steal" they live in a state of war, which prevents them from engaging in productive activities and makes them reluctant to invest in things that would make their lives better.

Based on Hobbes's view of the state of nature, we can provide a **preference ordering** for each player over the four possible outcomes; that is, we can determine how both players would rank the outcomes. Player A's preference ordering over the four outcomes is:

Figure 4.1 State of Nature Game without Payoffs

		B	
		Refrain	Steal
A	Refrain	Refrain	Steal
	Steal	Steal	Refrain

A **preference ordering** indicates how a player ranks the possible outcomes of a game.

- (Steal; Refrain) > (Refrain; Refrain) > (Steal; Steal) > (Refrain; Steal), and player B's preference ordering is

- (Refrain; Steal) > (Refrain; Refrain) > (Steal; Steal) > (Steal; Refrain),

where player A's action is given first, player B's action is given second, and " $>$ " means "is strictly preferred to." Given that there are four possible outcomes, we can assign the number 4 to each player's most preferred outcome, 3 to the second preferred outcome, 2 to the third preferred outcome, and 1 to the least preferred outcome. These payoffs are called **ordinal payoffs** because they tell us about the order in which the players rank each of the outcomes. Note that ordinal payoffs can tell us only whether one outcome is preferred by a player to another (the one with the higher number); they cannot tell us how much more the player prefers one outcome to the other.¹³ In other words, we can say that an outcome worth 4 is preferred to an outcome worth 1; however, we cannot say that the outcome worth 4 is preferred four times as much as the outcome worth 1.

We can now add these payoffs to the normal form game shown in Figure 4.1. The new game is shown in Figure 4.2. Player A's (the row player's) payoffs are shown first in each cell; player B's (the column player's) payoffs are shown second. A comma separates the payoffs for the players in each cell. Thus, player A receives a payoff of 1 if he refrains and player B steals; player B receives a payoff of 4 in this situation. Player A receives a payoff of 4 if he steals and player B refrains; player B receives a payoff of 1 in this situation. Now that we have the payoffs, we can try to figure out what the players will do.

A **strategy** for playing a game like the State of Nature Game is a complete plan of action that specifies what a player would do under every possible circumstance that might arise in the game.¹⁴ As with the Exit, Voice, and Loyalty Game in the previous chapter, we must solve the State of Nature Game by identifying the strategies that a rational decision maker, who is trying to do as well as possible, would employ. An important solution concept for solving normal form games is called a **Nash equilibrium**. A **Nash equilibrium** is a set of strategies in a game (one for each player) such that no player has an incentive to unilaterally change her mind given what the other players are doing.

¹³ As a result, we could use any sequence of numbers that retains the theorized ranking of the outcomes. For example, we could have chosen the numbers 50, 12, 1, and -10 to indicate how the players rank the four possible outcomes in the game, because these numbers retain the correct preference ordering. Using the numbers 4, 3, 2, and 1 is just simpler.

¹⁴ We refer to this game as a State of Nature Game because of the topic under discussion. As we note later in the chapter (pp. 121–124), however, games with this same payoff structure are more familiarly known as Prisoner's Dilemma games. Prisoner's Dilemma games are used widely in political science to examine a whole host of phenomena, ranging from arms races and democratic transitions to resource exploitation and international cooperation. They are also commonly used in other disciplines such as biology, economics, and sociology.

A **Nash equilibrium** is a set of strategies in a game (one for each player) such that no player has an incentive to unilaterally change his mind given what the other players are doing.

best replies in a Nash equilibrium—each player is doing the best that he can given what the other player is doing. If we think in terms of “best replies,” it is quite easy to find Nash equilibria in normal form games like the one in Figure 4.2. We show you how to do this step-by-step: just before the problem section at the end of this chapter, we review the whole process of constructing and solving normal form games again.

Step 1 is to put yourself in the shoes of one of the players (say, player A). Ask yourself, “What is my best reply (refrain or steal) if player B chooses to refrain? We are now just looking at the left-hand column where player B chooses to refrain. If you choose to refrain, you will get a payoff of 3, and if you choose to steal, you will get a payoff of 4. Thus, your best reply to player B’s steal is for you to steal. We indicate this by placing a line under the number 4. This is shown in Figure 4.3.

A **best reply**

is the action that yields the highest payoff given what the other player is doing.

Now ask yourself, “What is my best reply if player B chooses to steal? We are now just looking at the right-hand column where player B chooses to steal. If you choose to refrain, you will get a payoff of 1, and if you choose to steal, you will get a payoff of 2. Thus, your best reply to player B’s stealing is for you to steal as well. We indicate this by placing a line under the number 2. This is shown in Figure 4.4. You have now identified the best replies for player A to any choice made by player B.

Step 2 is to put yourself in the shoes of the other player; in this case player B. Ask yourself, “What is my best reply (refrain or steal) if player A chooses to refrain?” We are now just looking at the top row where player A chooses to refrain. If you choose to refrain, you will get a payoff of 3, and if you

FIGURE 4.3 Solving the State of Nature Game I

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4
	Steal	4, 1	2, 2

Note: Player A’s (the row player’s) payoffs are shown first in each cell; player B’s (the column player’s) payoffs are shown second. A comma separates the payoffs for the players in each cell. Payoffs associated with best replies are underlined.

FIGURE 4.4 Solving the State of Nature Game II

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4
	Steal	4, 1	2, 2

Note: Player A’s (the row player’s) payoffs are shown first in each cell; player B’s (the column player’s) payoffs are shown second. A comma separates the payoffs for the players in each cell. Payoffs associated with best replies are underlined.

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4
	Steal	4, 1	2, 2

choose to steal, you will get a payoff of 4 (recall that you are looking at the second number in each cell because you are now player B). Thus, your best reply to player A’s refraining is for you to steal. We indicate this by placing a line under the number 4. We show this in Figure 4.5.

Now ask yourself, “What is my best reply if player A chooses to steal?” We are now just looking at the bottom row where player A chooses to steal. If you choose to refrain, you will

Note: Player A’s (the row player’s) payoffs are shown first in each cell; player B’s (the column player’s) payoffs are shown second. A comma separates the payoffs for the players in each cell.

FIGURE 4.5 Solving the State of Nature Game III

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4
	Steal	4, 1	2, 2

Note: Player A's (the row player's) payoffs are shown first in each cell; player B's (the column player's) payoffs are shown second. A comma separates the payoffs for the players in each cell. Payoffs associated with best replies are underlined.

get a payoff of 1, and if you choose to steal, you will get a payoff of 2. Thus, your best reply to player A's stealing is for you to steal as well. We indicate this by placing a line under the number 2. This is shown in Figure 4.6. You have now identified the best replies for player B to any choice made by player A.

Recall that a Nash equilibrium is a set of strategies in which each player is making a best reply. Thus, to locate any Nash equilibrium, you need only look at the payoff table in Figure 4.6 for cells in which both numbers are underlined, that is those in which both players are playing best replies. As you can see, the one cell in which both numbers are underlined is the one in which both players choose to steal. Thus, the unique Nash equilibrium in our State of Nature Game is (Steal; Steal).¹⁵ The outcome of the game is that both players steal and the payoff to each player is 2.

An interesting feature of this particular game is that both players choose to steal (because they are better off doing so) no matter what the other player chooses. When this occurs, we say that both players have a dominant strategy—in this case their dominant strategy is to steal. Because both players have dominant strategies, we have what is known as a dominant-strategy Nash equilibrium. Thus, the expected outcome from our State of Nature Game is that

FIGURE 4.6 Solving the State of Nature Game IV

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4
	Steal	4, 1	2, 2

Note: Player A's (the row player's) payoffs are shown first in each cell; player B's (the column player's) payoffs are shown second. A comma separates the payoffs for the players in each cell. Payoffs associated with best replies are underlined.

refraining will be unlikely and that theft will be endemic.¹⁶ This is precisely why Hobbes described life in the state of nature as a "war of every man against every man" in which life was "solitary, poor, nasty, brutish, and short."

Keep in mind that we have simplified the state of nature quite considerably here in order to isolate only the most important aspects of the environment in which player A and player B find themselves. For example, it is hard to imagine a world in which theft and mutual predation are constantly occurring. In the real world, even the weak are able to fend off attack some of the time. When both actors are equal in strength, attacks will be successful only in moments of temporary vulnerability. Nevertheless, in the absence of someone to keep the actors in a permanent state of "awe," attacks will come when the opportunity arises. As a result, individuals will live in a persistent state of fear that can be debilitating, even in moments of relative calm.

Although this "abstract" state of nature probably seems remote from many of our own experiences, recall the troubled recent history of Somalia. Many commentators have described the environment in Somalia as a modern-day version of Hobbes's state of nature. Similar descriptions might be given of other situations in which no single actor is able to "awe" everyone in society, such as Iraq during the U.S. occupation, the Darfur region in

15. In this particular game, there is only one Nash equilibrium. Other games with different payoff structures, however, may have no equilibria or multiple equilibria—there is no rule that there will always be a unique equilibrium.

16. This is the expected outcome when the State of Nature Game is played once. But what do you think happens if player A and player B get to play the game over and over again? Do you think things change? To find out, you'll have to look at Box 4.1, "Can Cooperation Occur without the State?" at the end of the chapter (pp. 138).

Sudan, south central Los Angeles and New York City in the 1980s, New Orleans directly after Hurricane Katrina in 2005, or suburban New Jersey in the world of the *Sopranos*. In fact, according to the economic historian and Nobel laureate Robert Fogel (2004), the world described by Hobbes as the absence of invention, trade, arts, and letters fairly accurately describes most of human history. Consider that prior to the first agricultural revolution in roughly 10,000 BC, the life expectancy for our hunter-gatherer ancestors was estimated at no more than twenty-five years. Even by 1700, life expectancy in England, the second richest country in the world at the time after the Netherlands, was still only thirty-seven years.

When we solved the State of Nature Game for the Nash equilibrium, you may have noticed something that seemed odd. The Nash equilibrium outcome from this game happens to be the second worst outcome for both players. Indeed both players could be made better off if they chose to refrain—they would both get 3 instead of the 2 they get from both stealing in the Nash equilibrium. For this reason, the absence of cooperation represents a dilemma—individual rationality leads actors to an outcome that they both agree is inferior to an alternative outcome. The class of problems in which individual rationality produces outcomes that everyone in society sees as inferior has fascinated political thinkers since at least the time of Hobbes. One of the many ways in which it is interesting is that it doesn't seem to be enough for the players to recognize their mutually destructive behavior for cooperation to occur. Ask yourself what would happen if player A and player B met with each other one sunny afternoon and promised not to steal from each other because this would make them both better off. Do you think that they would feel comforted by such promises as they lay down to sleep that night?

Part of the problem is that each actor may come to feel that he is being taken advantage of. What if you are the only one who is sticking to your promise of good behavior? If your opponent breaks his promise and starts to steal, your best response is to stop refraining and start stealing as well. As the State of Nature Game illustrates, you will increase your payoff from 1 to 2 by doing this. But part of the problem is that you also have an incentive to steal even if you think that your opponent is going to keep his promise. Say you knew for sure that your opponent was going to refrain and that, under these circumstances, you could benefit. What would you do? As the State of Nature Game illustrates, you would choose to break your promise to refrain and start stealing, because this would increase your payoff from 3 to 4. Thus, promising to stop stealing because it is mutually destructive is not sufficient to actually stop the players from stealing. As Garrett Hardin (1968) points out, relying on promises of good behavior or moral suasion may actually have perverse evolutionary consequences in any case. If the world is truly set up as in the State of Nature Game, then individuals who are swayed by entreaties to "behave" and to "do unto others as you would have them do unto you" are not likely to survive long enough to pass such ideas on to their progeny (whether one thinks that the mechanism of transmission is genetics or socialization). In effect, Hardin suggests that to rely on moral suasion is to run the risk that moral people will be eliminated from society.

Civil Society and the Social Contract

Hobbes's solution to the problems that individuals experience in the state of nature was to create someone or something—the "Sovereign"—that had sufficient force that people would stand in awe of it. Like us, Hobbes realized that simply promising not to steal would be insufficient to prevent people from stealing. Instead, he believed that "there must be some coercive power to compel men equally to the performance of their covenants, by the terror of breach of their covenant" (Hobbes, 1651/1994, chap. 15).

In other words, Hobbes wanted a sovereign that could "force" people to refrain—for their own good, of course. The sovereign was to be created by an implicit **social contract** between individuals in the state of nature. Individuals would "contract" with each other to give up their **natural rights** (rights given to them by nature) in exchange for **civil rights** (rights given to them by laws) that would be protected by the sovereign.¹⁷ In effect, individuals would give up what they had to the sovereign in return for protection.

Hobbes believed that life in the state of nature was sufficiently bad that individuals would, and should, be willing to transfer everything they had to the sovereign in exchange for protection. In many ways, Hobbes's pessimistic view of the state of nature helps to explain why so many Afghans and Somalis were quick to welcome the "law and order" brought by the Taliban and the Union of Islamic Courts in their respective countries even though they may have strongly disagreed with the ideologies of these particular movements. Other social contract theorists, like Jean-Jacques Rousseau and John Locke, were more hopeful that individuals in the state of nature could find ways to achieve limited degrees of cooperation. As a result, these latter theorists believed that the extent to which individuals in the state of nature should delegate authority to a "third-party enforcer" such as the sovereign should always be evaluated in light of the particular conditions in which they found themselves. Although there are important differences between them, social contract theorists all view the state as a third-party enforcer who can dole out punishments to individuals who engage in socially destructive behavior that violates the social contract. These punishments were to be structured in such a way that "steal" would no longer be a dominant strategy for individuals in society. How does this happen?

A natural right is a universal right that is inherent in the nature of living beings; as such, a natural right does not arise naturally but is instead created by the state through laws; as such, a civil right cannot exist in the state of nature.

A social contract is an implicit agreement among individuals in the state of nature to create and empower the state. In doing so, it outlines the rights and responsibilities of the state and the citizens in regard to each other.

17. Although social contract theorists use the language of "contracts," it should be noted that the social contract does not necessarily share some of the defining characteristics of contracts—universal agreement, voluntary agreement, and third-party enforcement. For example, the state may be created in the face of opposition by some individuals—universal agreement may be violated. Individuals who disagree with the state are also pressured under the threat of physical force to enter into it and obey it—voluntary agreement may be violated. There is also no third-party enforcer to the social contract, because the sovereign does not exist until the contract is accepted—third-party enforcement may be violated.

Figure 4.7 illustrates the exact same stylized interaction between two people, A and B, as we saw in the state of nature, except that now there is a “passive player”—the state—lurking in the background who has sufficient physical force to punish those people because social contract theorists use the term *civil society* to describe the situation in which individuals live with a state. Again, each player must decide whether to steal or refrain. The state will dole out a punishment of value p to anyone who steals. We assume, for simplicity, that the state can see every infraction by the players and always doles out this punishment in response. The four possible outcomes are the same as before: both players refrain, both players steal, player A steals but player B refrains, and player B steals. To keep the discussion

Cardinal payoffs allow us to know how much more the players prefer one outcome to another. **Cardinal payoffs.** Unlike ordinal payoffs, cardinal payoffs tell us exactly how much more a player values one outcome compared with another. In other words, a player values an outcome with a payoff of 4 four times as much as an outcome with a payoff of 1. Now that we have determined the payoff table for the Civil Society Game, we can examine whether the creation of a state that can dole out punishments is sufficient to induce good behavior on the part of the individuals in question. As is often the case in this book, the answer is “it depends.”

We can see exactly what it depends on by solving the Civil Society Game for Nash equilibria in the same way that we solved the State of Nature Game earlier. Recall that you start by putting yourself in the shoes of one of the players (say, player A). Ask yourself, “What is my best reply (refrain or steal) if player B chooses to refrain?” If you choose to refrain, you

will get a payoff of 3, and if you choose to steal, you will get a payoff of $4 - p$ (remember that player A’s payoffs in each cell are shown first and player B’s payoffs second). It is relatively easy to see that you will choose to refrain if $3 > 4 - p$. This means that player A can be encouraged to give up his criminal ways if the state sets the punishment for stealing sufficiently high. How high is sufficiently high? A tiny bit of high school algebra should convince you that as long as the punishment is greater than 1 (that is, bigger than the difference between 4 and 3), then player A will choose to refrain.

Presumably, the state has a relatively easy job in getting player A to refrain if player B is going to refrain. But what if player B steals? Put yourself in the shoes of player A again and ask yourself, “What is my best reply if player B chooses to steal?” If you choose to refrain, you will get a payoff of 1, and if you choose to steal, you will get a payoff of $2 - p$. It is relatively easy to see that you will choose to refrain if $1 > 2 - p$. This means that as long as the state chooses a punishment greater than 1 (that is, bigger than the difference between 2 and 1), player A will “do the right thing” and forbear.

Because player B’s payoffs are symmetrical to player A’s—they are the same in the equivalent situation—we know that player B will also choose to refrain under the same conditions that player A chooses to refrain; namely, when $p > 1$. Figure 4.8 indicates the best replies for players A and B when $p > 1$. As you can see, when the punishment doled out by the state is sufficiently high ($p > 1$), the unique Nash equilibrium is (Refrain; Refrain). The outcome is that both players refrain and the payoff to each player is 3. Note that both players now have a dominant strategy to refrain. In other words, as long as the punishment level imposed by the state is sufficiently high, players will choose to refrain no matter what the other player decides to do.

FIGURE 4.7
Civil Society Game

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4 - p
	Steal	4 - p , 1	2 - p , 2 - p

FIGURE 4.8
Civil Society Game When $p > 1$

		B	
		Refrain	Steal
A	Refrain	3, 3	1, 4 - p
	Steal	4 - p , 1	2 - p , 2 - p

Note: p = the value of the punishment doled out by the state to anyone who steals. Payoffs associated with best replies are underlined.

Note: p = the value of the punishment doled out by the state to anyone who steals. Payoffs associated with best replies are underlined.

FIGURE 4.9 Choosing between the State of Nature and Civil Society

It seems that by creating a third-party enforcer (the state) that dutifully dutes out punishment for bad behavior, we can get individuals to give up the sorts of behavior that made life in the state of nature "solitary, poor, nasty, brutish, and short." Problem solved, right? Well, as you might suspect, the fact that we're still studying politics with his solution. Start by years after Hobbes wrote suggests that there are some problems and why he or she would be

asking yourself why anyone would be willing to do us all a favor by acting as our policeman. One common answer with the sovereign. In effect, the sovereign agrees to be engaged in an exchange relationship with the members of civil society as being willing to do us all a favor by acting as our policeman.

One common answer with the sovereign. In effect, the sovereign agrees to build up the state's "comparative advantage" in violence" so that it can keep the citizens in awe and carry out its concentrated means of violence" so that it can keep the citizens in awe and carry out its duties as a state. Given that a sovereign will demand tax revenue to carry out his job, it is not immediately obvious that the citizens will choose to leave the state of nature for civil society; much will depend on the level of taxation imposed by the state. In other words, citizens will not always choose to create a state.

— "The Social Contract," compare our State of Nature Game and our Civil Society Game

not always choose to create a state.

To illustrate this point, compare our State of Nature Game and our Civil Society Game in Figure 4.9. The Civil Society Game now illustrates that the state will impose a tax of size t on the citizens for allowing them to live in civil society. We indicate this by subtracting t from the payoffs of each player in each cell. Note though, that because the citizen must pay the tax in every cell of the game, the expected outcome of the Civil Society Game does not change—both players will still choose to refrain (check this for yourself). The expected outcomes of the two games are shown in the shaded cells.

Now ask yourself, "Under what conditions will citizens prefer to leave the state of nature and enter civil society?" The citizen can decide whether to leave the state of nature by comparing the payoffs she expects to receive from playing each game. As you can see, the citizen will get a payoff of 2 if she chooses to remain in the state of nature and a payoff of $3 - t$ if she chooses to live in civil society. It is easy to see that the citizen will prefer to leave the state of nature and live in civil society if $3 - t > 2$. This means that as long as the state does not charge a tax rate larger than 1 (that is, bigger than the difference between 3 and 2), the citizen will prefer to create a state and live in civil society.

Thus, for the state to be a solution to the state of nature as social contract theorists claim, it must be the case that (a) the punishment imposed by the state for stealing is sufficiently large that individuals prefer to refrain rather than steal and (b) the taxation rate charged by the state for acting as the policeman is not so large that individuals prefer the state of nature

for example, regularly attending religious institutions or following dress codes such as wearing a burqa—a kind of taxation that citizens give in exchange for state-provided security.

Nature Game and Civil Society Game (Figure 4.9), this requires that $p > 1$ and $t < 1$. to civil society.¹⁹ With the particular cardinal payoffs that we have used in our State of

This comparison between the responsibilities that the state imposes on its citizens (here thought of in terms of a level of taxation) and the benefits that the citizen can obtain from living in civil society is central to the very nature of politics. Thinkers who see the state of nature as dire are going to expect citizens to accept a draconian set of responsibilities in exchange for the "protection" that the state provides. In contrast, those who see civil society as a mere convenience over a workable, if inefficient, state of nature are going to place much greater restrictions on what the state can ask of its citizens. It is, perhaps, not an accident that Hobbes was writing at the end of a long period of religious war in Europe and civil war in his home country. It was because he had had a firsthand glimpse of what the "war of every man against every man" looked like that he believed that the difference between civil society and the state of nature was effectively infinite. For Hobbes, almost any level of taxation that the state might choose to levy on its citizens in exchange for protection looked like a good deal. You

Note: p = the value of the punishment doled out by the state to anyone who steals; t = the value of the tax imposed by the state. It is assumed that $p > 1$. Payoffs associated with best replies are underlined. The expected outcomes of the two games are shown in the shaded cells.

		State of Nature		Civil Society	
		B		A	
		Refrain	Steal	Refrain	Steal
A	Refrain	3, 3	1, 4	Refrain	$\underline{3-t}, \underline{3-t}$
	Steal	4, 1	2, 2		$\underline{1-t}, 4 - \rho - t$
B	Refrain			Steal	$4 - \rho - t, \underline{1-t}$
	Steal				$2 - \rho - t, 2 - \rho - t$

19. This point may throw light on the continued absence of a Somali state. For example, Lesson (2006) has recently argued that state taxation in all its forms under the Siad Barre regime was so great that many people's social welfare was actually lower when the Somali state existed than it is right now. In effect, he claims that the Somali state did more harm than good.

Similarly, rules and access to military actions can also affect the outcome of conflict. Similar evidence comes from a 2011 report on Somalia from the BBC at <http://www.bbc.co.uk/news/world-africa-12285465>. To the extent that Leeson is providing an accurate assessment of the state of affairs in Somalia, individual Somalis may not be in rush to reestablish civil society and strengthen the power of the Transitional Federal Government.

might think that many of the people living in Somalia right now share a similar view of the world. In contrast, Thomas Jefferson—borrowing from social contract theorists like John Locke—believed, from the relative calm of Monticello, that we had a natural right (that is, the possibility of obtaining in the state of nature) to “life, liberty, and the pursuit of happiness,” and that our commitment to the state was so conditional that we should probably engage in revolution, or at least the rewriting of the Constitution, every couple of decades.

The reader is likely to have noticed that contemporary disputes in the United States and elsewhere over whether we should reduce civil liberties by giving more power to the state in an attempt to better protect ourselves against terrorist threats directly echo this historical debate between such scholars as Hobbes and Jefferson. Those politicians who argue that the threat of terrorism warrants a reduction in our civil liberties on the grounds that freedom means little without security are taking a distinctly Hobbesian view of the world. Whether you ultimately agree more with Hobbes or Jefferson, it seems clear that although the creation of the state may solve the political problem we have with each other, it may also create a potential new problem between us and the state. Put simply, if we surrender control over the means of violence to the state, what is to prevent the state from using this power against us? As some have put it, “Who will guard the guardian?”²⁰ At the very least, once the state has developed a “comparative advantage” in the use of violence, we would expect a renegotiation of the social contract that, at a minimum, would set the tax rate so high as to leave the citizen indifferent between living in the state of nature and living in civil society. It is the fear that this might occur that drives civil libertarians around the world to challenge ongoing attempts to locate ever-increasing amounts of power in the hands of the state. As you can see, one of the grim, but true, implications of many game-theoretic models is that solutions to political problems frequently lead to changes in behavior that erase the benefits of those solutions. The sovereign: can’t live with him, can’t live without him.

THE PREDATORY VIEW OF THE STATE

Whereas the contractarian view of the state focuses on the conflicts of interest that exist between individuals, the **predatory view of the state** focuses more on the potential conflicts of interest that exist between citizens and the state. Scholars who employ a predatory view

The predatory view of the state holds that states that exercise an effective control over the use of violence are in a position to threaten the security of citizens. This makes it possible for them to exploit the citizens that, according to the social contract view of the state, they have a duty to protect.

of the state seek to understand the conditions under which the state can be expected to enforce rules and foster cooperation rather than use its “comparative advantage in violence” to prey upon the citizenry. According to the predatory view of the state, rulers can be viewed as similar to individuals in the state of nature. They are so because they face their own sort of security

20. The original quotation, “Quis custodiet ipsos custodies?” is from Juvenal, *Satire IV* (“On Women”).