

# Thinking about Social Phenomena

## *Constructing Puzzles*



*Lecture dt. Feb 13, 2020*

# The free rider

- The Prisoner's Dilemma: illustrates a conflict between individual and group rationality.
- Individual defection is better than individual cooperation. But, group cooperation is better than group defection.
- The *free rider* is the non-cooperating individual, who reaps the benefits of everyone else who cooperates

# Public goods and the temptation to free ride



# Public goods and the temptation to free ride

(Unlike the cake) some goods, once made available to one person, can be used by others at no additional cost.

- Public goods, unlike private goods, are non-excludable and non-rivalrous
  - Excludable: I pay for cake, I eat it
  - Rivalrous: I eat the cake, none is left for you

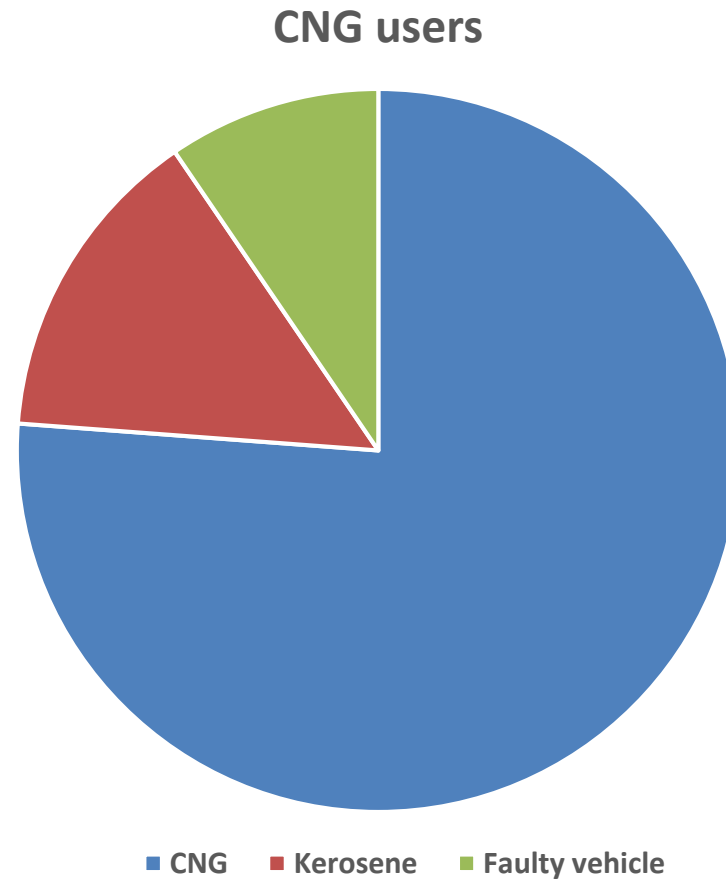
e.g. Clean air; public TV (Doordarshan); parks, footpaths, street lights; defence; police

# Free-riding: how it works



In Elster, read chapter, 'Collective Action', for the flag example

# Free-riding: clean air



# How do norms fit in?

The temptation to free-ride is a universal problem, yet many people cooperate voluntarily, e.g. paying taxes; contribution to charity

- Some cooperate despite individual cost due to norms, e.g. norms of fairness; quasi-moral norms

But norms are usually insufficient to prevent free-riding behaviour, especially in large groups

# Free-riding at work

Let's say a workday is 9 hours long.

- If workday reduced to 8 hours for all: all happy
- If one person works 8 hours and others 9 hours: she is happy, others not *especially in it is a large organization where free-riding behaviour would remain unnoticed by many.*

Next week: if norms insufficient, how is cooperation achieved?



# The logic of collective action

Mancur Olson (1965, p. 2): "[U]nless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, *rational, self-interested individuals will not act to achieve their common or group interests.*"

## Monday's puzzle

I am willing to contribute money for the upkeep of the garden in my residential complex, but not willing to contribute money towards the upkeep of gardens in my city, although I use them. Why?