Terms

Research the following concepts related to coexisting strategies and mutually aligned interests. Write up a one-paragraph summary for three of them.

1. intransitive dice
2. Swiss format tournament
3. credible threat
4. coalition
5. Shubik power index
6. Nash bargaining solution

Short Essays (Choose One)

The film *Pay It Forward* puts a new twist on the norm of reciprocity, which confounds both the recipients of good deeds and the bystanders who witness a truly magnanimous action. The story places the genesis of the scheme in a 7th-grade boy named Trevor, who responds to a challenge by his social studies teacher to come up with, and put into action, an idea that would change the world. Trevor’s background has brought him in contact with people from diverse socioeconomic strata, but observing such extremes of inequality doesn’t deter him from having big dreams.

1. In your opinion, how crucial are the details of Trevor’s age and background for establishing credible commitment on both sides of the various interactions in the first stage of “pay it forward” (providing Jerry with a roof over his head, playing matchmaker for Mr. Simonet, or facing down Adam’s bullies)? Discuss how the credibility of the altruist and the trust he/she is willing to place in the recipient changes as Trevor’s utopian scheme unfolds and different people are brought, unsuspecting, into the web of indebtedness.
2. Robert Putnam has collected evidence that, as the level of social homogeneity rises, so does the trust that people in that society are willing to extend to each other. Naively one might suspect that the most homogeneous societies are least in need of the utopian do-goodery that Trevor’s scheme would unleash on their worlds. According to this reading of the facts, the “pay it forward” idea implemented in a homogeneous community would serve much the same function that excessively generous tips do in an economy comprising mostly service-sector workers, such as Wicker Park, Chicago. There the servers and bartenders collect enormous tips, which on their nights off get redistributed to their comparably-paid counterparts in other hangouts all over town. This circular flow of disposable income serves as a social lubricant, fostering a sense of community but doing little to address real issues of inequality. However, equality of incomes—or socioeconomic status more generally—is only one measure of social homogeneity. What other measures could we use to assess social homogeneity, and how much weight should we give them in predicting the success of a “pay it forward” movement? Give an example of a society other than Las Vegas (the setting of Pay it Forward), and discuss the impact of its demographics on the outcome of a “pay it forward” implementation.