

Chapter 4.

Application to Anthropology: Jamaican Fishing

- Nature of the Problem
- Solution Using Game Theory
- Solution Using Decision Theory
- Rationale Using Security Principal

Functional Adaptation



- Jamaican villages of the 1950s made their living by fishing
- How do these inhabitants adapt in a functional way to their environment?
- First studied by anthropology in 1960 by Davenport

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Jamaica Nautical Chart



Adapted from Google Earth, © 2009

Functionalism

- The functionalist school of anthropology argues that rules or customs evolve because they are functional responses to the natural or socio-economic environment
- Functionalist explanations are used in evolutionary economics, and studies of social or technical change

Jamaican Currents



Adapted from Google Earth, © 2009

Data Gathering

- Davenport gathered data about average profits of fishermen
- Do they fish far out to sea, or stay close to shore?
- He later realized the problem was amenable to game theory analysis

	Run	Not Run
Inside	17.3	11.5
Outside	-4.4	20.6
In-Out	5.2	17.0

Table from Game Theory and Strategy (Straffin 1993) p.24

Saddle Point Analysis

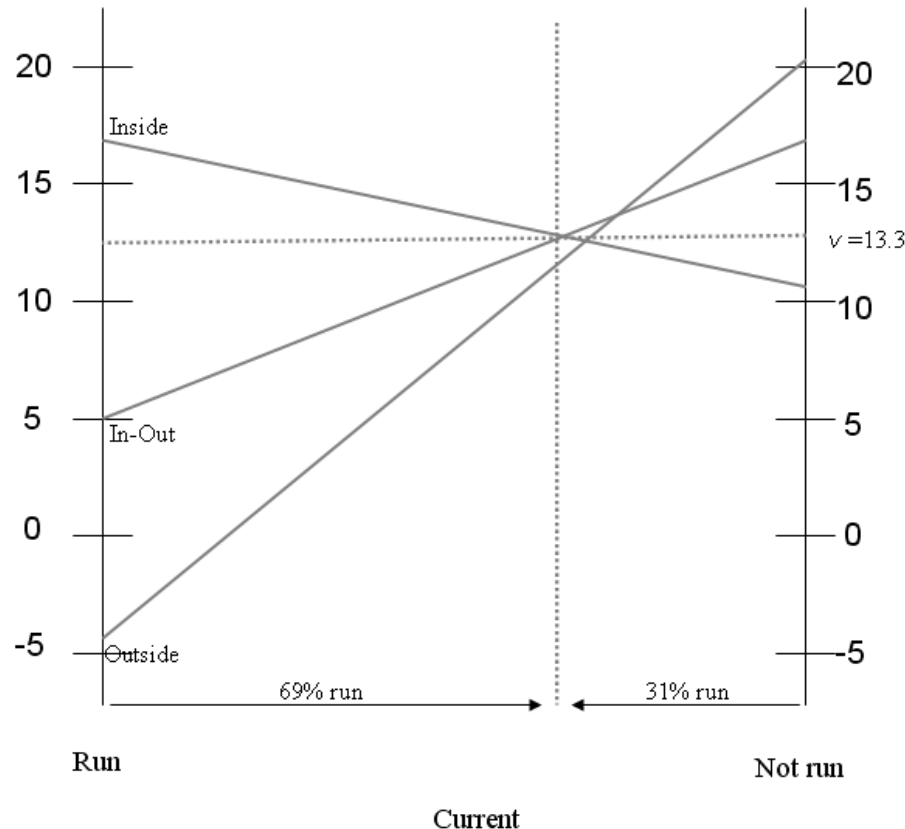
- No Saddle Point!

	Run	Not Run	Row min	
Inside	17.3	11.5	11.5	
Outside	-4.4	20.6	-4.4	← Max of min
In-Out	5.2	17.0	5.2	
Column max	17.3	20.6		

↑
Min of max

- Since the row and column values are unequal, there are no saddle points

Mixed Strategy Graphical Solution



- Lowest point on upper surface $v=13.3$
- Inside and In-Out strategies active
- Use equilized expectations to further solve

Mixed Strategy Equalized Expectations

		x	(1-x)
		Run	Not Run
y	Inside	17.3	11.5
(1-y)	In-Out	5.2	17.0

$$17.3x+11.5-11.5x = 5.2x+17-17x$$

$$34.3x-16.7x=5.5$$

$$17.6x=5.5$$

$$X=31\%$$

$$v=(31\%)5.2+15(69\%)=13.31$$

$$17.3y+5.2-5.2y=11.5y+17-17y$$

$$17.3y+17y-11.5y-5.2y =11.8$$

$$17.6y=11.8$$

$$Y=67\%$$

$$v=(67\%)17.3+(33\%)5.2=13.31$$

Prediction and Observation

So a game theory model predicts

- No fisherman takes the risky strategy of fishing outside
- The fisherman adopt a fishing strategy of 67% inside, and 33% in-out.
- That the current should run 31%, and not run 69%

Observation shows that

- No fisherman takes the risky strategy of fishing outside
- The fishermen adopt a fishing strategy of 69% inside, and 31% in-out.
- The current runs 25% of the time, and does not run 75% of the time

The Counter-Claim

- The current is not a reasoning actor.
- The problem is really one of decision-theory.
- Thus, an expected utility calculation is needed.
- Using observed probabilities of the current
 - Inside: $(25\%) 17.3 + (75\%) 11.5 = 12.95$
 - Outside: $(25\%) -4.4 + (75\%) 20.6 = 14.35$
 - In-Out: $(25\%) 5.2 + (75\%) 17.0 = 14.05$
- A paradox:

Decision theory predicts that utility maximizing fishermen should fish outside the current. Yet, they do everything but!

A Response

- The current is not reasoning, but the fishermen are being very, very cautious.
- By treating the current like an opponent, the fisherman can guarantee at least the value of the game (the “security level” of 13.30)
- Should the current run at different frequencies than assumed, the fisherman will do even better than expected
- In other words, the fisherman are paying £1.05 (14.35-13.30) as a sort of insurance policy to ensure security of supply