

The Hero's Order

Using popular science fiction and fantasy to teach basic economics



Background: The Power of Story

Purpose: Using popular science fiction and fantasy to engage students in a basic economics course, introducing them to the economic way of thinking.

Discover Course: Freshman level course that introduces students to university life. Professors get to teach a topic of their choice in a seminar format. (Can be adapted to a Survey of Economics or Principles course.)

Hope: Get freshman interested in economics.

“God made man because He loves stories.”

- Elie Wiesel, *The Gates of the Forest*

Methodology

Underscoring the power of story to teach.

Using video clips, podcasts, movie assignments, books, and class discussions, to cover basic principles of economics.

Assignments involved weekly writing and presentations by students. (And originally, frequent tweeting on Twitter.)

Course Description

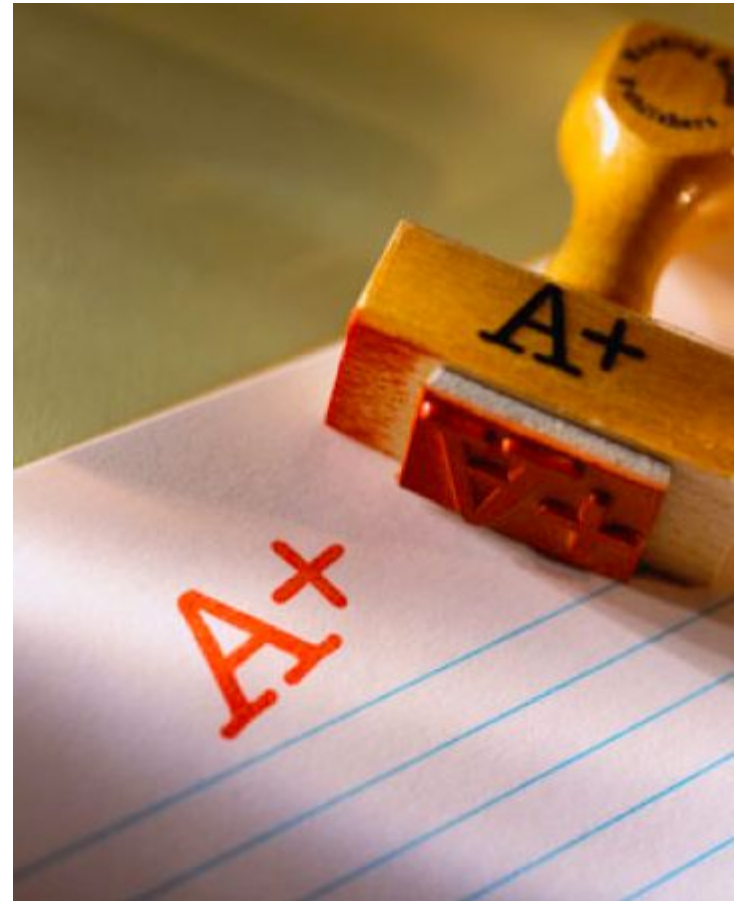
For Katniss Everdeen, the Capitol provides a pretty clear incentive for hunting down her competition in the Hunger Games: kill or be killed. Fantasy and science fiction portray extreme worlds, but these imaginary societies operate on principles remarkably similar to those that govern our lives in the "real world." Characters in these stories face a variety of incentives that influence their actions. What motivates you? How does the state shape your choices? Moving from hobbits in Middle-earth to millennials in 21st-century America, this course investigates how institutions and incentives affect individual behavior.

Structure of the Class

- Movie Analysis - 25%
- Podcasts - 25%
- Other Homework & Presentations - 25%
- Final Project - 25%

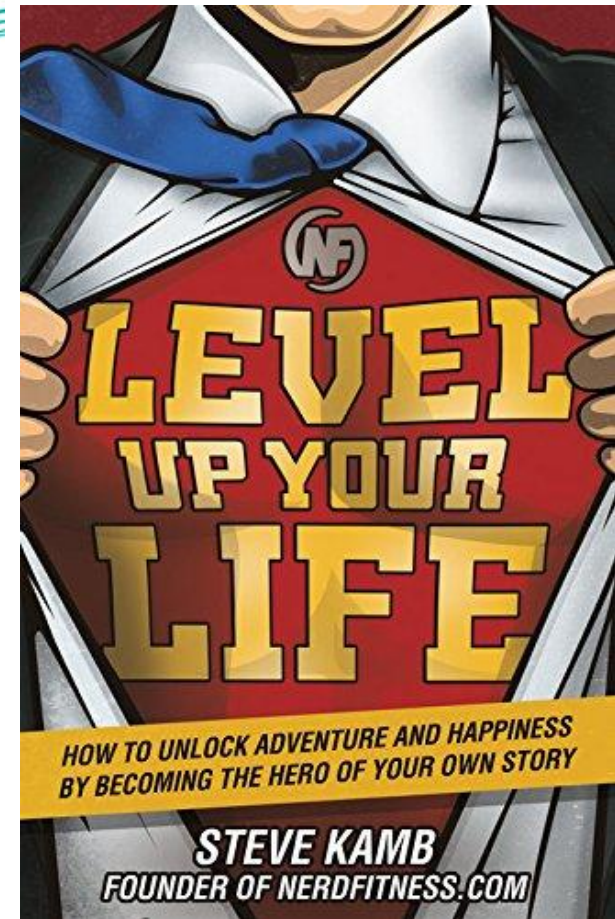
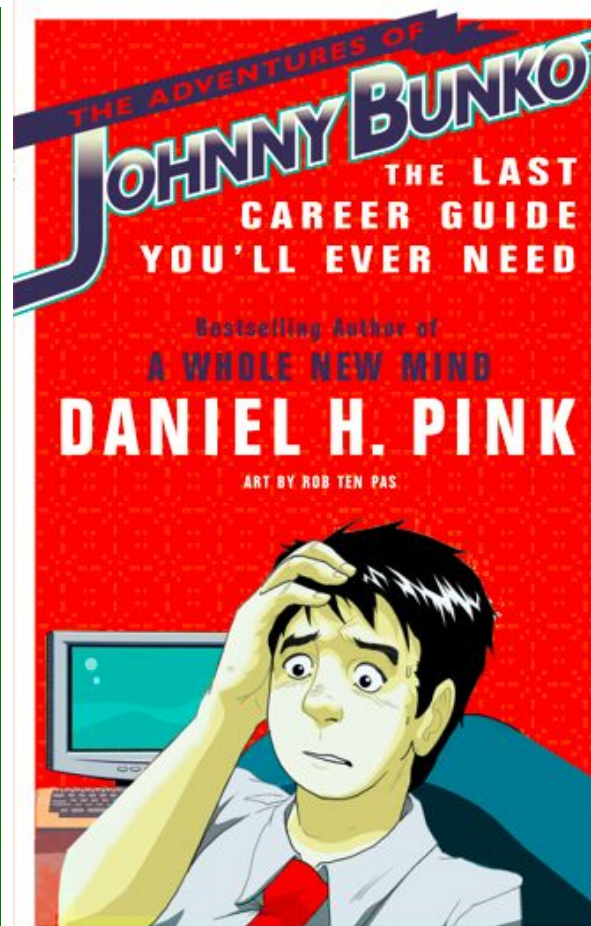
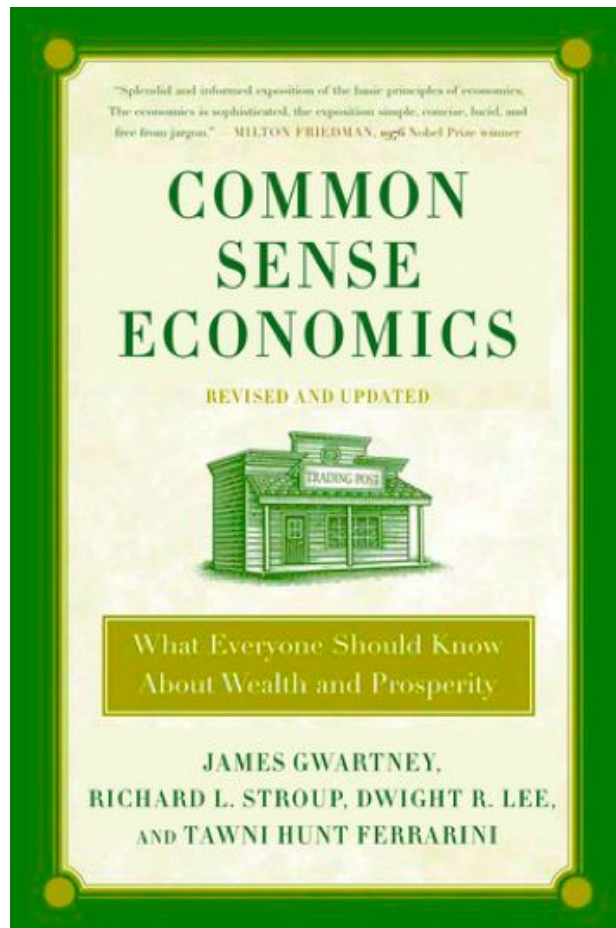
All HW due at 8 AM

Attendance policy*



**** - You have a limit of 2 unexcused absences for Discover courses before incurring 10 point penalty to grade per university policy.***

Books



Course Structure

Topic	Resource & Presentations
1) Principles of Social Analysis	CSE1 - Twelve Keys Elements of Economics
2) Progress and Prosperity	CSE2 - Seven Major Sources of Economic Progress
3) Political Systems	CSE3 - Economic Progress and the Role of the Government
4) Putting it Into Practice	CSE4 - Twelve Key Elements of Practical Personal Finance, Miscellaneous
5) Being the Hero of Your Own Story	<i>The Adventures of Johnny Bunko</i>

EconTalk 3-2-1

- 1 week to listen to each Monday's episode
- **DUE EACH TUESDAY:** 1-page, typed reaction
 - 3+ points about what you liked/agreed with
 - 2+ points about what you didn't like, didn't agree with, or had questions about
 - 1+ paragraph about any other thoughts/reactions, unfamiliar terms and concepts
- Be prepared for in-class discussion
- <http://econtalk.org>



Number 1 Rule in Class!



Studying the Structure of Societies using Stories

Framework for the Class

If you want to understand societies, you must understand **individuals**, the **incentives** they face, and the **institutions** they live under.

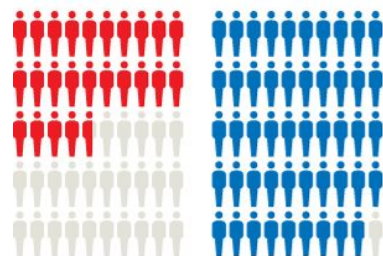
The Importance of Institutions



Thoughts?

North Korea Is the Exception





24.72m

North Korea

48.96m

South Korea

Population July 2013, estimated



\$1,800

North Korea 2011

\$32,400

South Korea 2012

GDP per capita (PPP)



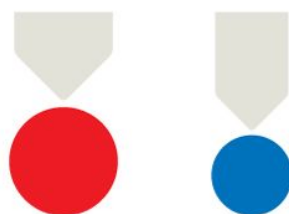
26.21

North Korea

4.08

South Korea

Infant mortality rate 2012 per 1,000 live births



1.19m

North Korea

0.65m

South Korea

Active duty 2011



69.2

Years old

79.3

Years old

North Korea

South Korea

Life expectancy at birth, total population



178th

North Korea

50th

South Korea

Press freedom index ranking 2013



< 0.1

North Korea

81.5

South Korea

Internet users per 100 people



22.3%

North Korea

2.8%

South Korea

Military expenditure 2008 as a percentage of GDP



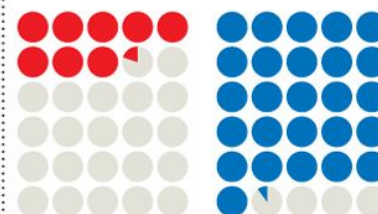
\$78.8m

North Korea

-\$69m

South Korea

Net official development assistance (ODA) and official aid (current US\$)



\$8.213bn

North Korea

\$26.1bn

South Korea

Military spending 2008

Do these facts move you?

The Human Stories Behind These Numbers



Framework for the Class

If you want to understand societies, you must understand **individuals**, the **incentives** they face, and the **institutions** they live under.

The Foundation

People respond to *incentives*.

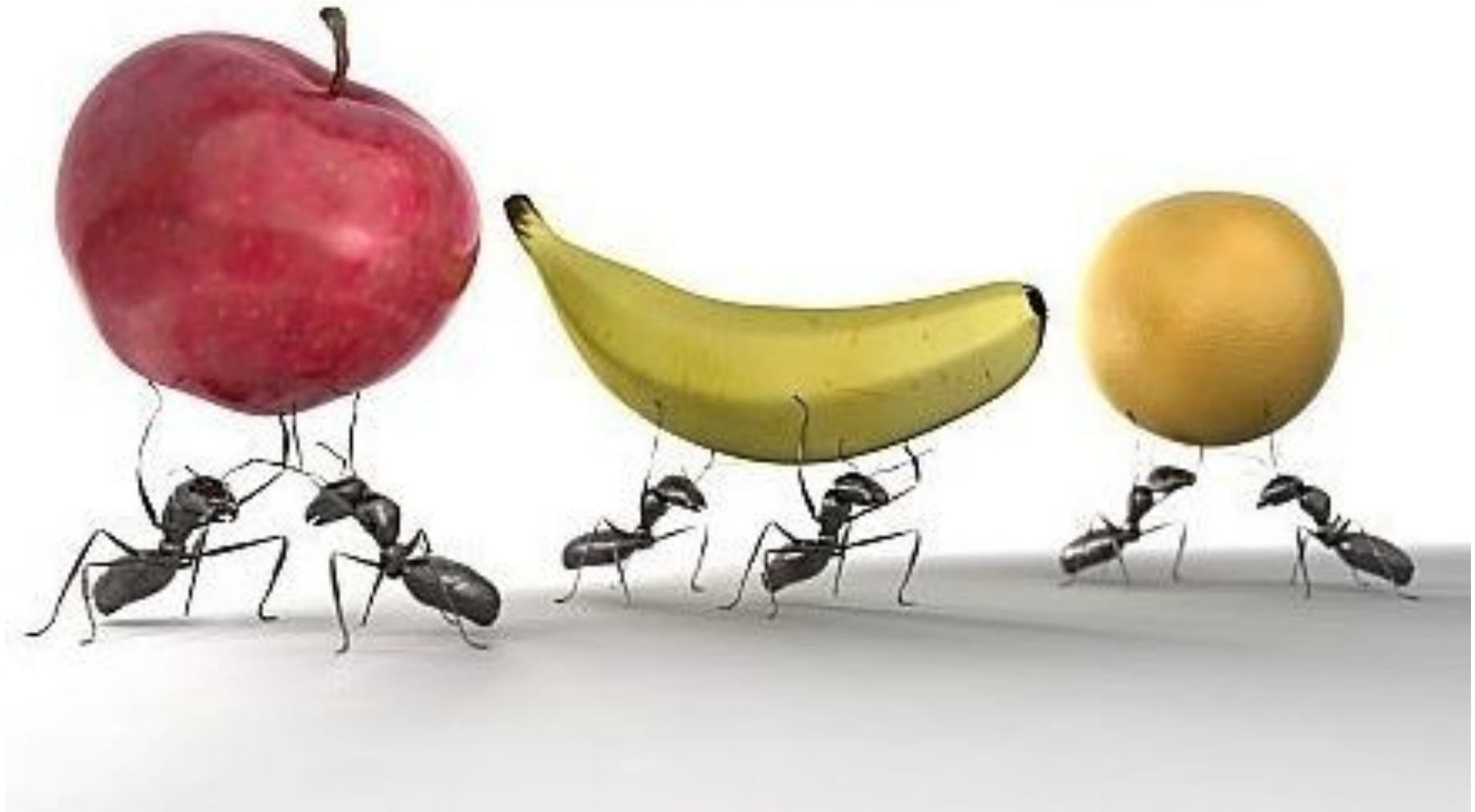
So do elves, dwarves, hobbits... and even orcs!



Institutions Create Incentives

If you want to understand societies, you must understand **individuals**, the **incentives** they face, and the **institutions** they live under.

What is an individual?



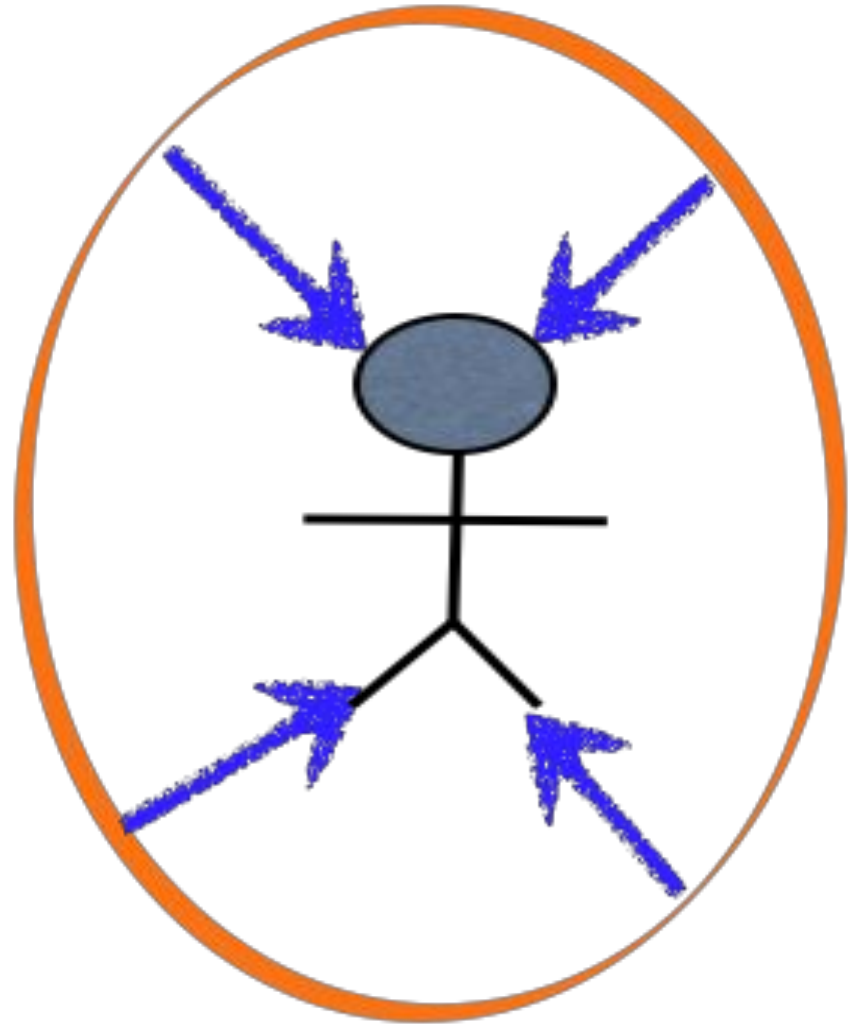
What Are Institutions

- Any structure that governs **social order** and interaction, **often not intentionally designed**
 - Political
 - Legal
 - Cultural
 - Economic
 - Familial
 - Biological



To Recap

- individuals
- incentives
- institutions



The Tale of Two Koreas



North Korea and
South Korea at night.

Why the differences?

Can you explain in
terms of institutions,
incentives, and
individuals?

Making Analogies



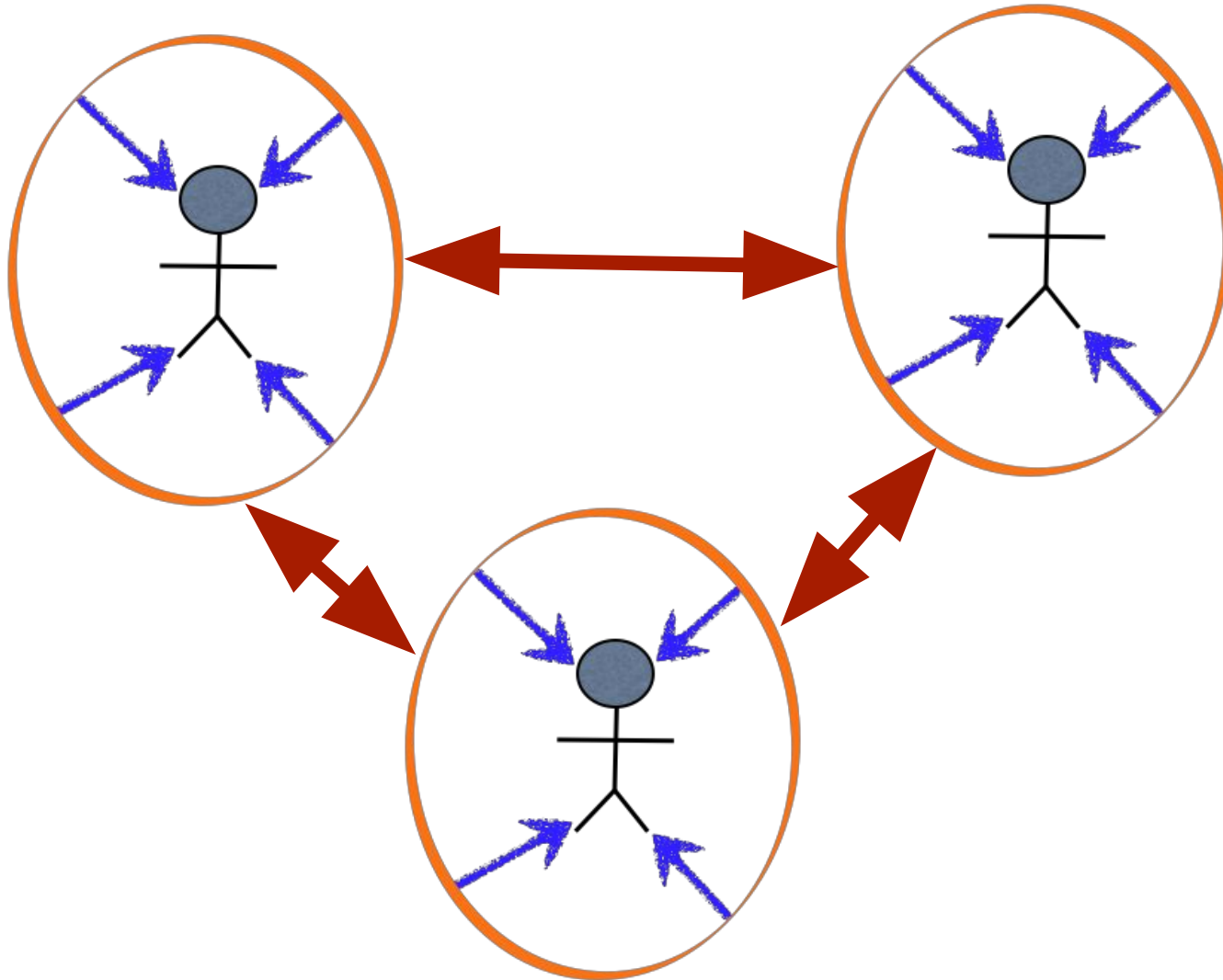
LEGO Movie Analysis

- 1) List the incentives President Business, Emit and three other characters of your choosing faced in the movie. Think deeply. What motivated each of them to do the things they did in the movie?
- 2) What political, economic, and legal institutions existed in the movie? Who controlled them? Does this world seem more like North Korea or South Korea to you? In what way? How is it like North Korea? How is it like South Korea?
- 3) How did President Business want to change the world? How did the Master Builders want to change the world? Which vision of the world would you rather live in? Why? Which type of world leads to more creativity, new ideas, and discovering new ways of doing things?

LEGO Movie Analysis (Continued)

- 4) What role did information play in the movie? Was there free flow of information throughout society or was it controlled in some way? If it was controlled, how? What was the effect of this on society?
- 5) Were prices and money mentioned at all in the movie? In what way?

Interaction

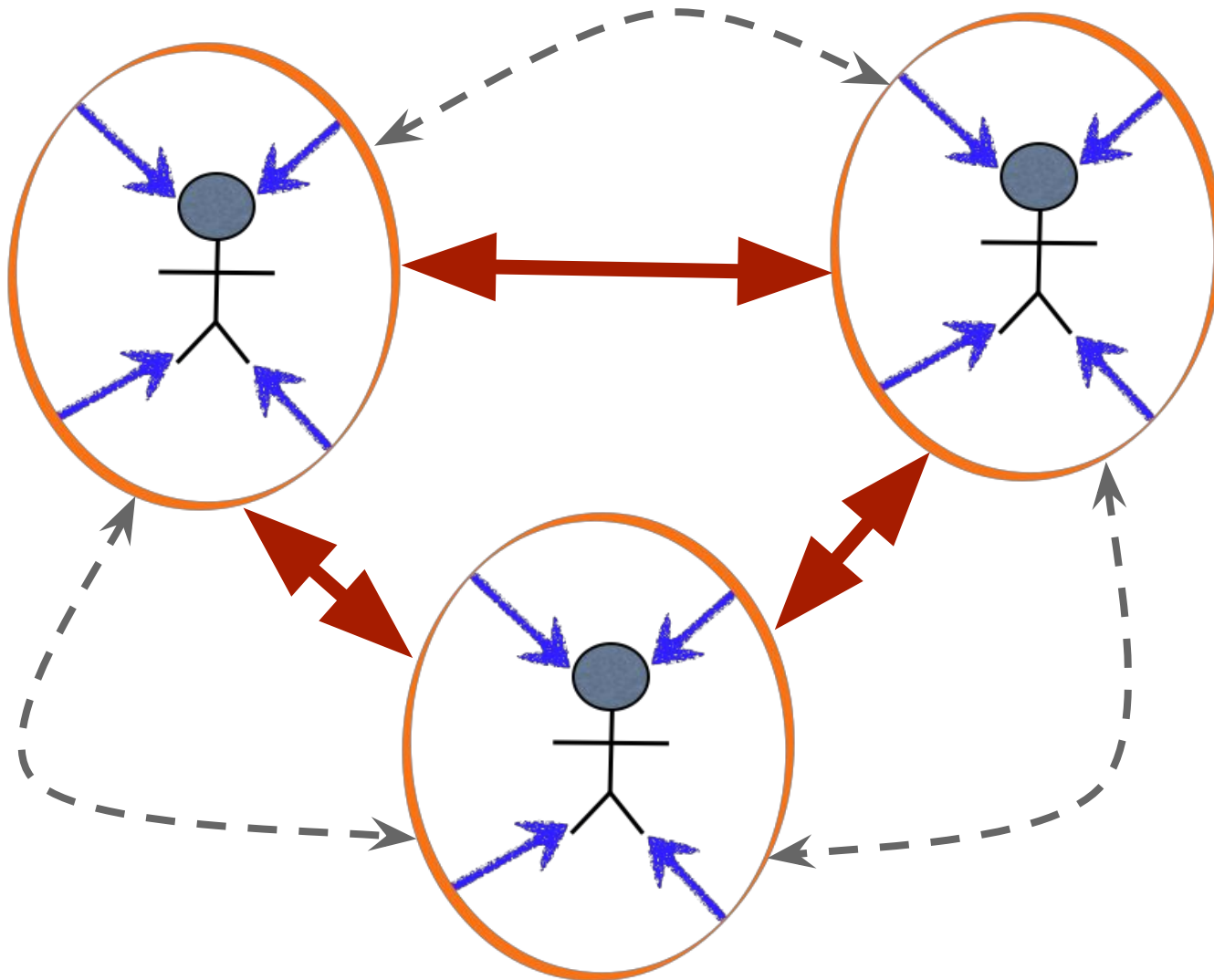


Types of Interactions?

1. **Destructive:** Negative-Sum
2. **Transfer:** Zero-Sum
3. **Constructive:** Positive Sum



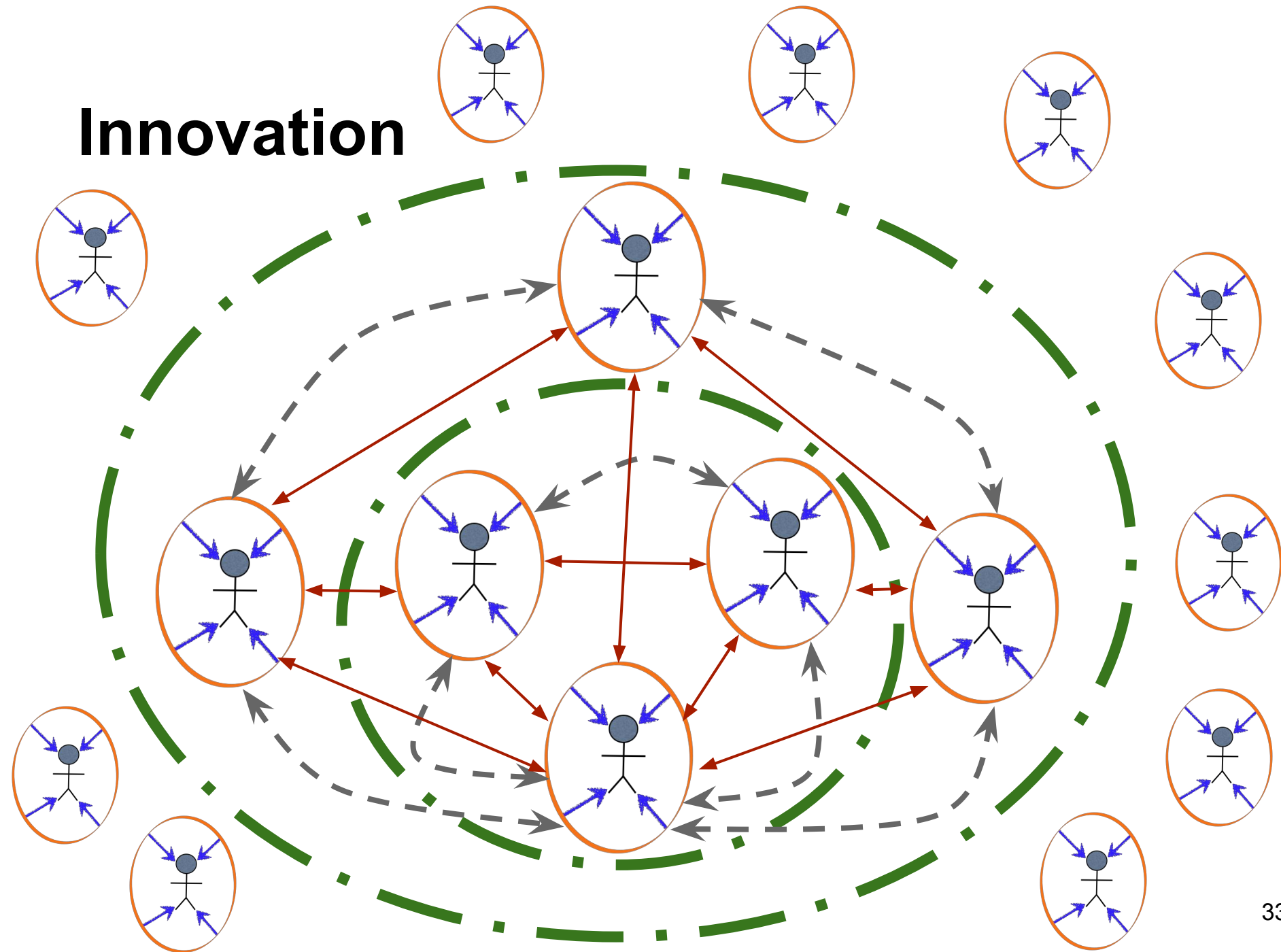
Information



Would You Give Up the Internet?



Innovation

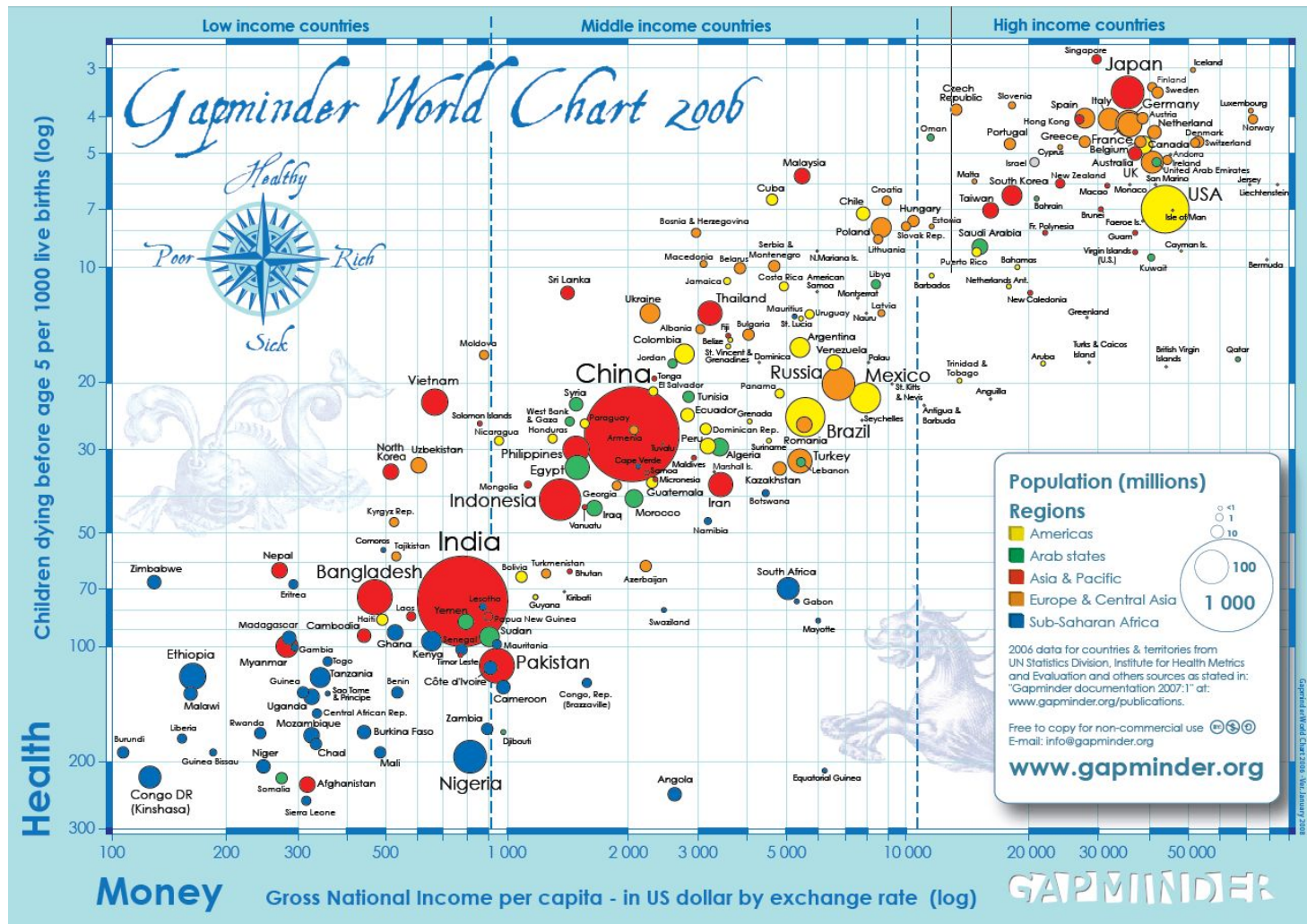


When *institutions* align
the *incentives* of
individuals toward
positive-sum *interaction*
and free flow of
information, *innovation*
naturally occurs.

**The possibilities
become endless!**



Connecting to the Real World



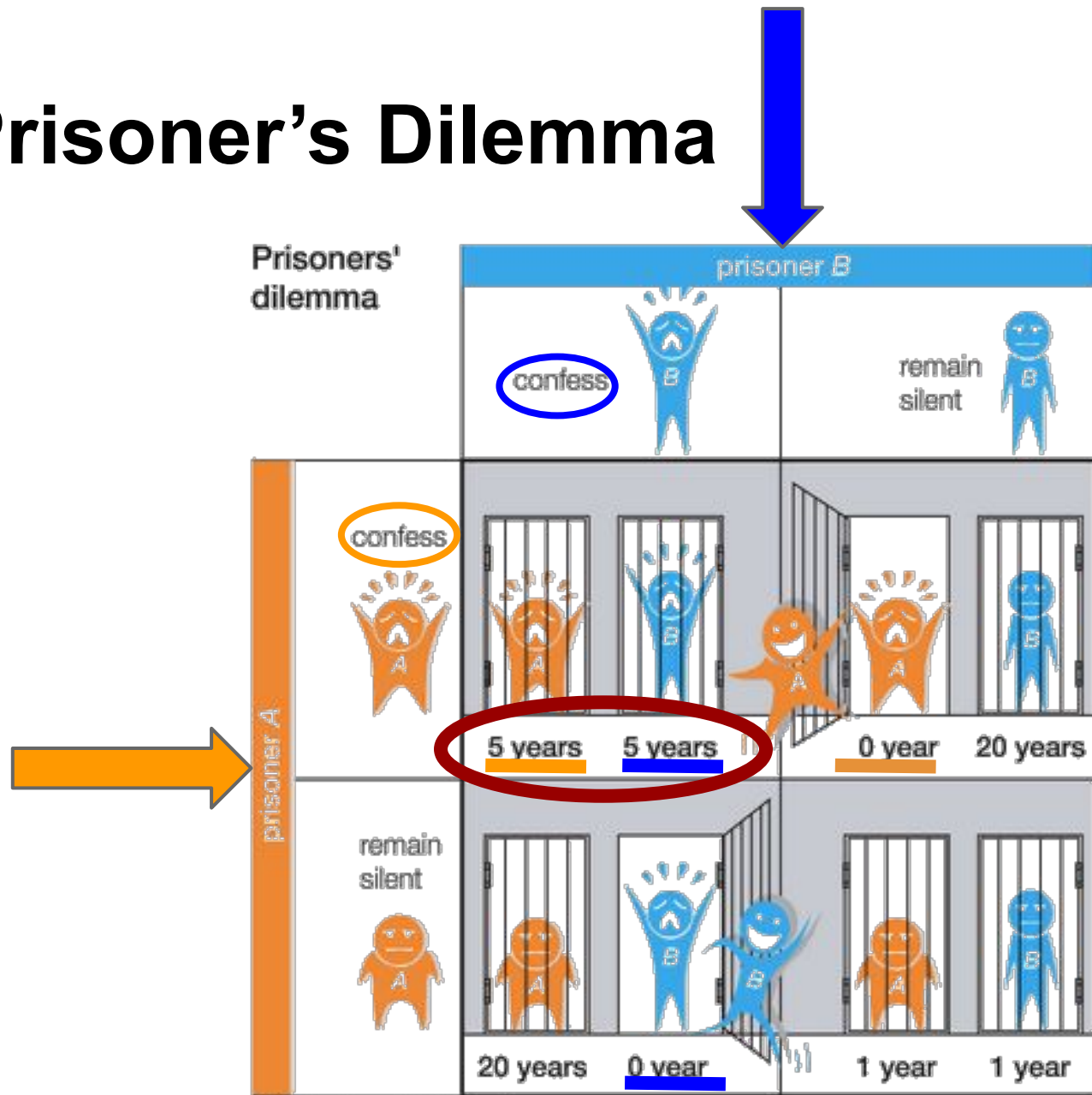
Connecting to Stories



Hunger Games Movie Analysis

- 1) Why do you think District 12 is so poor?
- 2) Why is the Capitol so rich?
- 3) Would you characterize the interaction of the Hunger Games event as positive-sum, negative-sum, or zero-sum? Why? Are there any examples of the other types of interaction in the games? If so, what are they?
- 4) How would you characterize District 12's access to information? How do you think this affects their society and their level of prosperity?
- 5) What examples of innovation did you see in the movie? How did this innovation help the characters?

Prisoner's Dilemma



Hunger Games on Opening Night!



Hunger Games 2 Movie Analysis

- 1) Explain how the victors selected during the Quarter Quell for the 75th annual Hunger Games found themselves in a situation similar to a “prisoner’s dilemma.” Be specific.
- 2) In chapter 3, the book tells us: “Government promotes economic progress by protecting the rights of individuals and supplying a few goods that are difficult to proved through markets.” How well did the Capitol protect the rights of citizens in Hunger Games 2? Was it different in the Capitol than in the Districts? How do you think this affects the economic progress of the people living under this protection (or lack of protection)?

Hunger Games 2 Movie Analysis

- 3) The book says: “Government slows economic progress when it becomes heavily involved in providing favors to some at the expense of others.” What groups and/or individuals did the Capitol favor in Hunger Games 2? How do you think this affected overall economic progress for Panem?
- 4) According to our book: “Central planning replaces markets with politics, which wastes resources and retards economic progress.” What resources do you think the Capitol wasted in Hunger Games 2 (think of both physical resources and human resources such as lives, talents, etc.)? How does this affect the standard of living of people in the Districts? In the Capitol?

Final Project: Being the Hero of Your Own Story



Being the Hero of Your Own Story

PURPOSE: The purpose of the assignment is for you to think about who you are, where you came from, and where you are going in life. How do each of these affect incentives that affect how you're living your life? Put this into a form that you can communicate to the rest of the class. In essence, explain to us your story.

ASSIGNMENT: Create a PowerPoint presentation to present to the class that explains who you are and where you hope to go in life. Please feel liberty to make use of creativity, humor, and/or depth in your presentation. You must email me a copy of your presentation no later than 11:00 on Wednesday, December 10th.

Being the Hero of Your Own Story

- 1) Your Myers-Brigg personality type.
- 2) Your personal history (including ethnicity, where you're from, etc.)
- 3) Your present (including major and expected earnings, clubs, teams, and something unique)
- 4) Your future (hopes and dreams, goals)
- 5) What superpower would you want and why?
- 6) What is one (or more) of your favorite things you learned in class this semester?

What Movies?

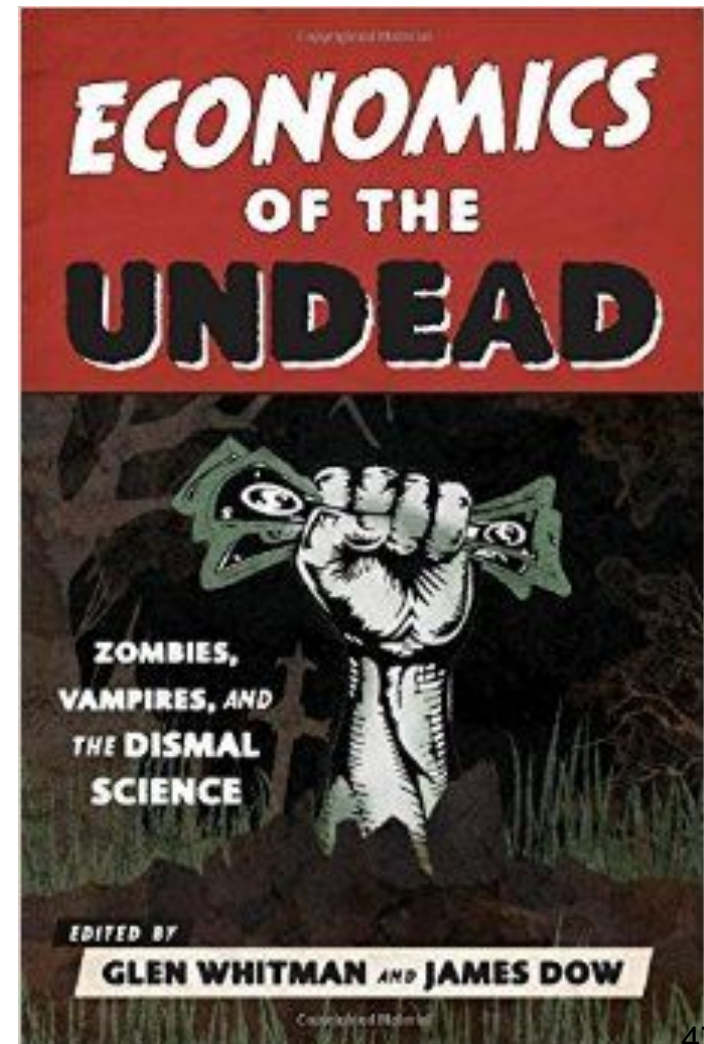
The LEGO Movie (Replaced The Hobbit)	Comparative Advantage Institutions
The Hunger Games	Public Choice Government Regulation Economic Development Game Theory Probability
The Incredibles	Downward sloping demand curves Law and Economics
The Walking Dead	Transaction Costs Gains from Trade

Lessons Learned

- *The Hunger Games* and *The Lego Movie* resonated w/ students, *The Hobbit* not so much
- Consider selecting past EconTalk podcasts to match topics covered, rather than listening to weekly episodes
- Students confused by the concept of institutions
- Twitter usage was an epic fail
- Students absolutely loved going to see *The Hunger Games 2, 3, & 4*
- Surprisingly, students were mixed on their interest in Marvel movies

Fruits of the Story So Far

- **SUPPLY:** Two chapters published in *Economics of the Undead*
 - *To Truck, Barter and Eat Your Brains*
 - *What Would the Reasonable Man Do In a World Gone Mad?*
- **DEMAND:** Getting ~ 2 students/year interested in majoring in Econ
 - More minors & students taking my Principles courses



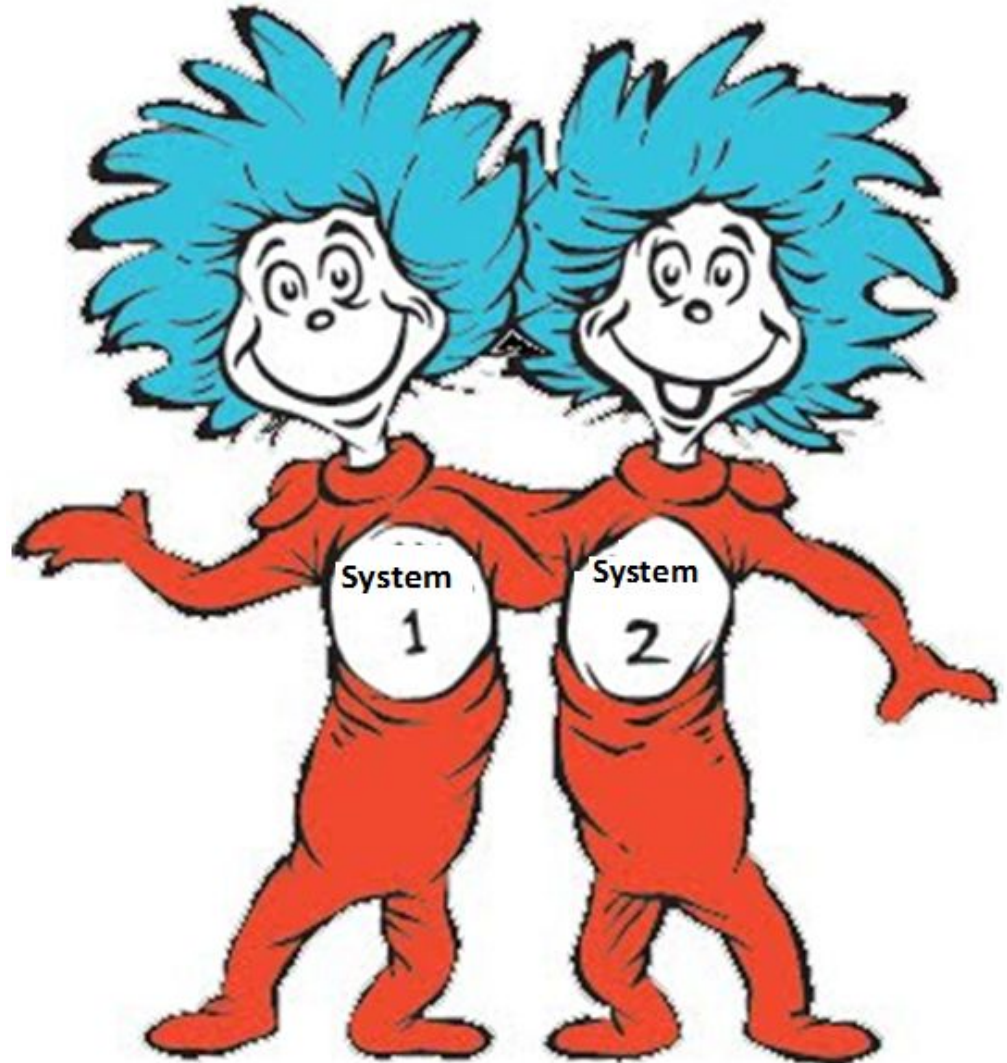
Future Directions: Additional Stories

- New Hunger Games Movie in 2023
- Marvel Cinematic Universe
 - *Ant-Man* = transaction costs
 - *The Avengers* = comparative advantage
- Ready Player One
- Find a post-apocalyptic movie/show other than *The Walking Dead*



Future Directions: Extending the Framework?

- Instincts
 - Behavioral Economics
- Investment
 - Allows the past to touch the future
- Inference
 - Econometrics
 - Simple Regression?
- Intersection
 - with disciplines
- Inflation
- Interest
- Incremental



Questions or Comments?