



# Economics of the Hunger Games

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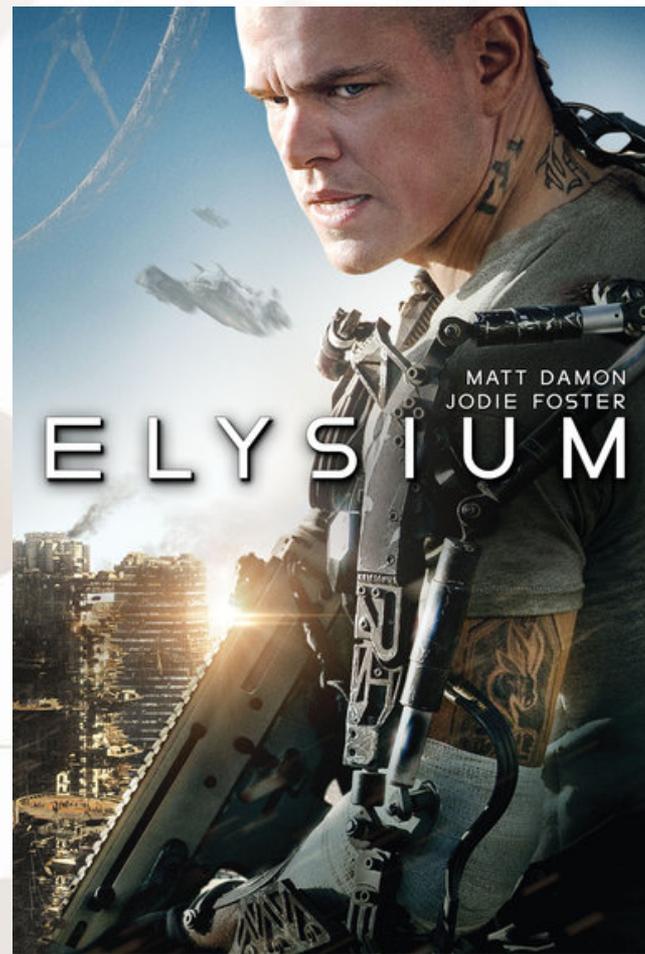
# Dystopia Literature





# Why is Dystopia Popular?

War against government and the rich





# Your Guide to How to Design an Economy





# Dr. Amartya Sen

- Nobel Prize in Economics in 1998
- 5 Instrumental Freedoms
- *Development as Freedom*





# Political Freedom

- Ability to determine who governs
- Ability to criticize authorities
- Ability for a free press to operate
- Civil rights





# Economic Facilities

- Free markets
- Fair markets
- Fair distribution within the middle class
- No monopolies
- Access to credit system and secure banking system





# Social Opportunities

- Access to education
- Access to health care
- Ability to read newspaper (basic literacy)
- Ability to improve station in life
  
- *Access to technology?*





# Transparency Guarantees

- Social trust
- Prevent corruption
- Financial responsibility – encourage investment

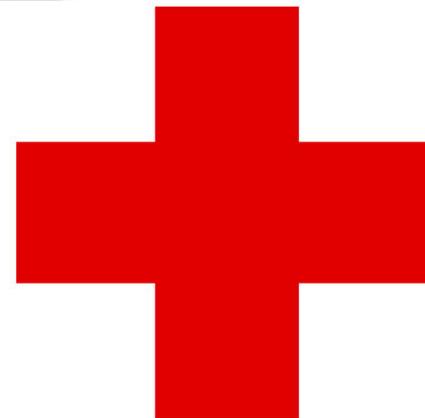




# Protective Securities

- Unemployment benefits
- Income supplements
- Famine relief
- Emergency relief

The image shows a close-up of a white form titled "APPLICATION FOR UNEMPLOYMENT BENEFITS" lying on a wooden surface. A black pen with a gold tip is resting on the form. The form has several sections, including "GENERAL INFORMATION" with fields for Name (Last, First, City), Address (Mailing Address, Address), and State. There are also checkboxes for "Are you legally entitled to work in the U.S.?", "Part-Time", "Full-Time", and "Temporary". Other fields include "Mobile Number", "Home Telephone", and "Other Telephone".



**American  
Red Cross**



# Panem

- The Capitol and 13 districts
  - District 13 is completely destroyed
- Each district provides something to the Capitol





# Division of Labor

Lack of diversification

- District 1: luxury goods such as jewelry
- District 2: stone cutting and weapon production
- District 3: electronics production
- District 4: fishing (coastal district)
- District 5: power plants
- District 6: transportation
- District 7: lumber and paper
- District 8: textiles
- District 9: grain
- District 10: livestock
- District 11: agriculture
- District 12: mining – coal
- District 13: nuclear power (now destroyed)



# Can Labor Move Between Districts?

- Why does this matter?
  - If Labor can move, labor moves to the higher wage area and wages fall in that place
  - With fewer workers in the lower wage area, those wages increase
- Labor must be able to do the jobs in both places
- Think about today: manufacturing jobs versus service jobs
  - Manufacturing jobs, low-skill service, high-skill service
- Districts have different wages and income
  - Poor district vs. Wealthy district



# Some Districts are Wealthier

- District 1: wealthiest
- District 2: houses the training for Peacekeepers
  - Strong supporters of the capitol
- District 3: poorest of the wealthy districts
- District 4: wealthy and has food (fishing)





# Tesserae

Command economy at its worst

- Meager supply of grain and oil for one person for one year
  - Can get more if give something to capitol
- Creates a black market
  - Hob
- Violates: Protective security & trust



KATNISS BARTERS IN THE HOB.



# Districts are Not Diversified

- Subject to swings in the economy
- No ability to change production to meet a different demand cohort
  - Capitol is main and sometimes only buyer
- Monopoly problem
  - Capitol is monopoly buyer
  - While districts are monopolies, they do not have the ability to negotiate



# Comparative vs. Absolute Advantage

- Capitol could say that District 12 has a comparative advantage in mining
  - Why are you upset?
- But
  - Is District 12 able to set the price or even impact it?
  - Is District 12 able to sell to other districts?
  - Is District 12 able to accumulate wealth?
- Capitol restricts trade; sets terms of trade
- Violates: Ability to improve station in life



# HG & Freedoms: Economic facilities

Labor Mobility

Fair Labor  
Markets, Income  
Distribution, No  
Monopolies



# Mockingjay



- Jabberjays – used by the Capitol to eavesdrop on the populace
  - Rebels fed them lies
- Jabberjays were abandoned by the Capitol and left to die in the wilderness
  - Instead, bred with mockingbirds to create mockingjays



# HG & Freedoms: Political & Transparency

- Ability to criticize authorities
- Civil rights
- Social trust
- Prevent corruption





# Capitol Technology

Uneven technology





# Solow Growth Model

- Prosperity
  - Capital accumulation
  - Solow residual of technology
- Germany post-WWII
  - Destroyed by Allied bombing
  - Rebounded quickly because they knew **how** to build





# Extraction economies

- Take as much of the natural resources from the land as possible while keeping the power in the hands of a few
  - Spanish conquistadors in Latin America
  - British settlements in New England





# District 12

## Mining

- No way for workers to organize and improve wages, safety
- Violates: Transparency guarantees and protective security
- *"Betrayal. That's the first thing I feel, which is ludicrous. For there to be betrayal, there would have had to been trust first."*





# The Capitol is in Charge

- Markets are more efficient than command economies
- Violates: Political freedom & Economic facilities





# Why Let Districts Starve?

- *District 12: Where you can starve to death in safety*
- *Starvation's not an uncommon fate in District 12*
- Economic inequality is inefficient
- Violates: Economic facilities





# Technology

Technology can be used for good or evil

- Katniss and her bow and arrow versus the high-tech arsenal in the capitol
- Why not use technology to increase productivity of miners?
  - Use the miners elsewhere.
- Misuse of technology violates all five freedoms





# How Do You Beat the Capitol?

- Solidarity
  - Lech Walesa
- Fair rules
- Fair chance
- Ability to improve station in life





# What is Goal of Economic Development?

- *“What must it be like, I wonder, to live in a world where food appears at the press of a button? How would I spend the hours I know commit to combing the woods for sustenance if it were so easy to come by? What do they do all day, these people in the Capitol, besides decorating their bodies and waiting around for a new shipment of tributes to roll in and die for their entertainment.”*





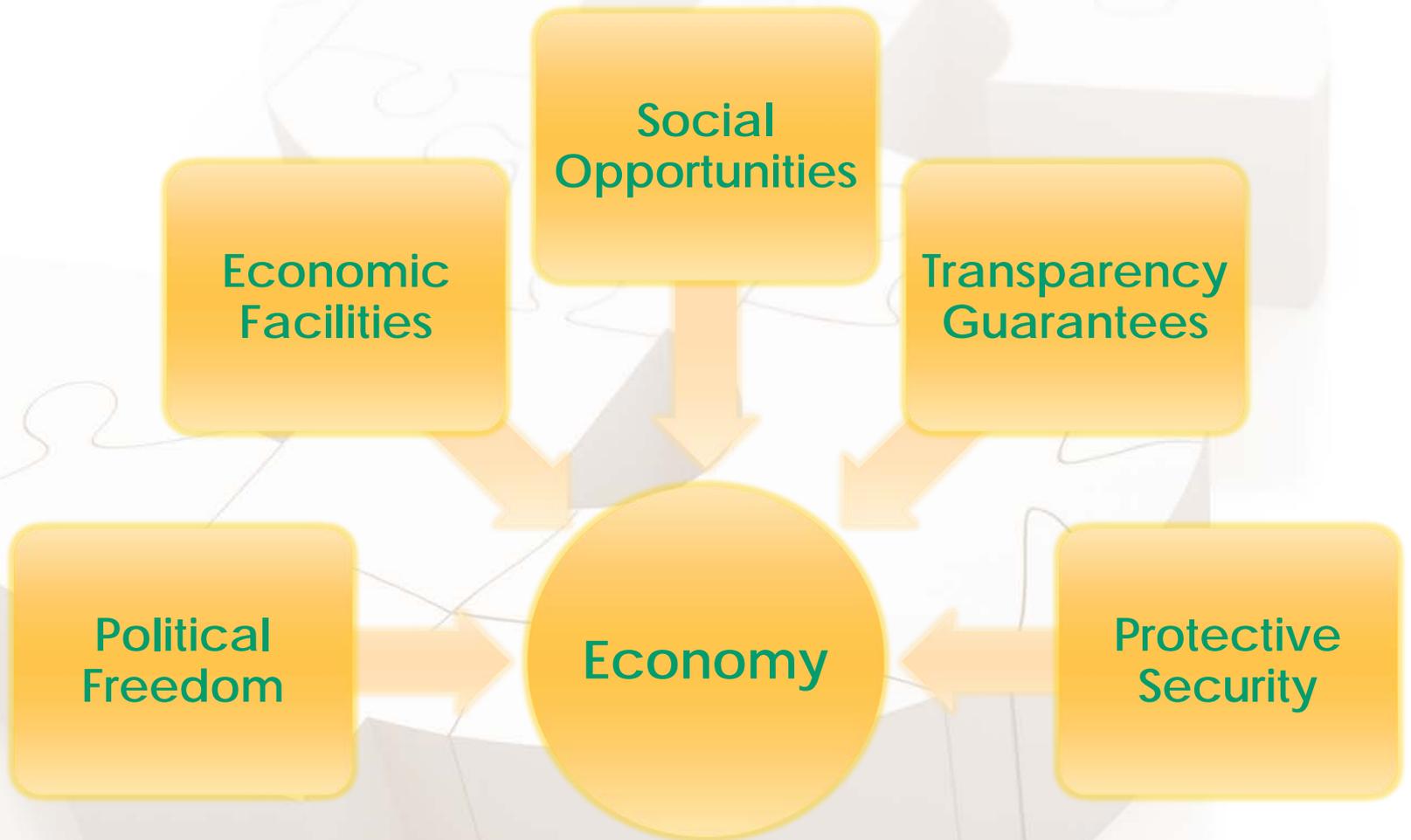
# Why Doesn't the Capitol Want A Middle Class?

- Why not create a middle class?
- Why not create consumers?
- Why not create a win-win economy?
- Why not make the pie bigger?





# Ingredients for Economy





# Side point: Game Theory

- At the start of the game, the 24 children have the option of going to the cornucopia to get weapons
  - Bloodbath
  - Interdependent choice





# Side point: Game Theory, 2

Katniss works with Peeta

- Interdependent
  - Form an alliance?
- Katniss likes Rue better than Peeta but by sticking with Peeta, she gets more rewards
  - Payoff to staying together is higher than moving apart





# Thank you!

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