



The *Divergent* Economics of Factions and Governing in the Classroom



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49th Annual Conference on Personal Finance and Economic Education, Council on Economic Education, Atlanta, Georgia, October 4-6, 2018
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Economics as real life

- Veronica Roth has no apparent training in economics or government
- Personal interests are rooted in practical human behavior
 - Social psychology
 - individual identity
 - Group psychology
 - Government policy
- The Divergent Series is applied economics





But what kind of economics?

- **Behavioral economics**
 - How do people actually behave in the real world?
- **Choice theory**
 - Rational choice
 - Constraints—time, training
- **Institutional economics**
 - How do rules effect choices?
- **Public choice economics**
 - Applied behavioral & institutional economics





The Divergent world: an overview

- **Plague triggers world wide war among groups**
 - Self interest results in mob-war
 - Chicago is the last bastion of civilization
- **Social and economic system is based on group identities**
 - Faction membership to purge “bad” traits
- **Assigned to factions based on simulations**
 - 16 years old
 - Simulations administered under a serum



Factions

- **Abnegation**: public servants; run the government
 - Origin faction for Tris Prior
- **Amity**: Farmers and producers; peaceful & democratic
- **Erudite**: Intellectuals, innovators; knowledge seekers
- **Candor**: Lawyers, judges; honest & truthful
- **Dauntless**: enforcers; brave & fearless
- **Factionless**: Outcasts



Constitutional economics & the faction system

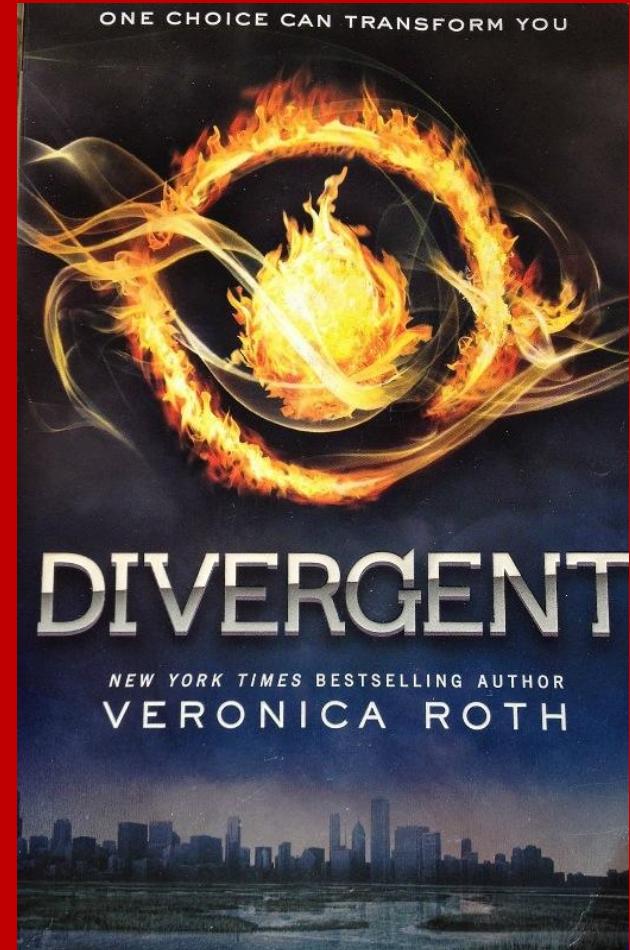
- The rules of the game are well defined
- Individuals are constrained by the rules
- The plot is driven by individual choices faced by the constraints of the political system
- Strong cultural and social norms force individuals into their roles and to play by the rules
 - In book 1, Tris Prior acts completely within the constraints of the established system/Constitution



Politics without romance

Book 1, *Divergent*

- Individuals are goal maximizers
- They pursue their own self interests
- Individuals are “imperfect”
- How do individuals maximize personal objectives under the current rules?
 - Erudite use technology (a serum) to exert control over the other factions
 - Mass execution of Abnegation

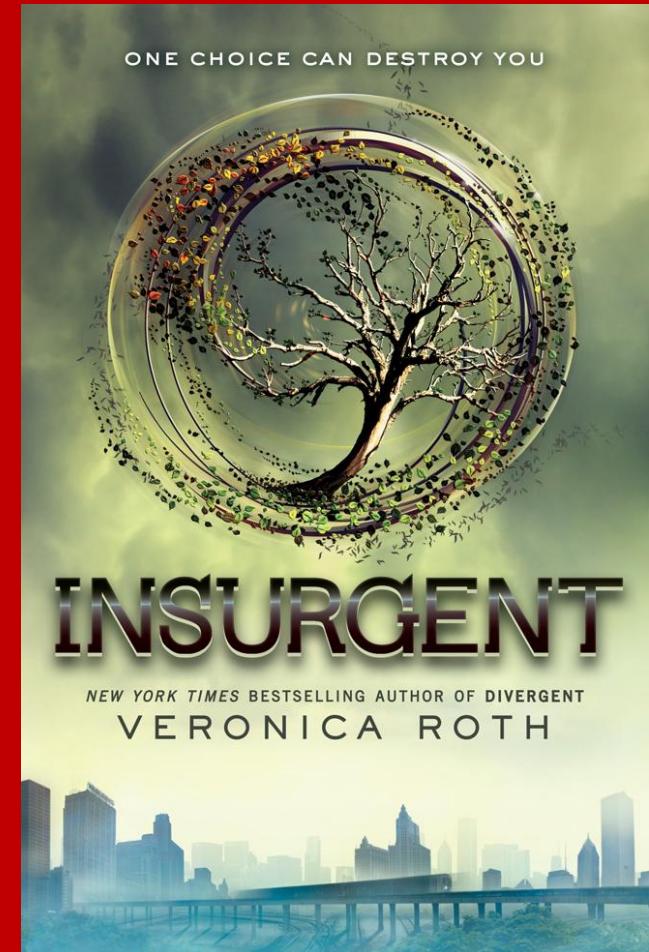




Regime uncertainty

Book 2, *Insurgent*

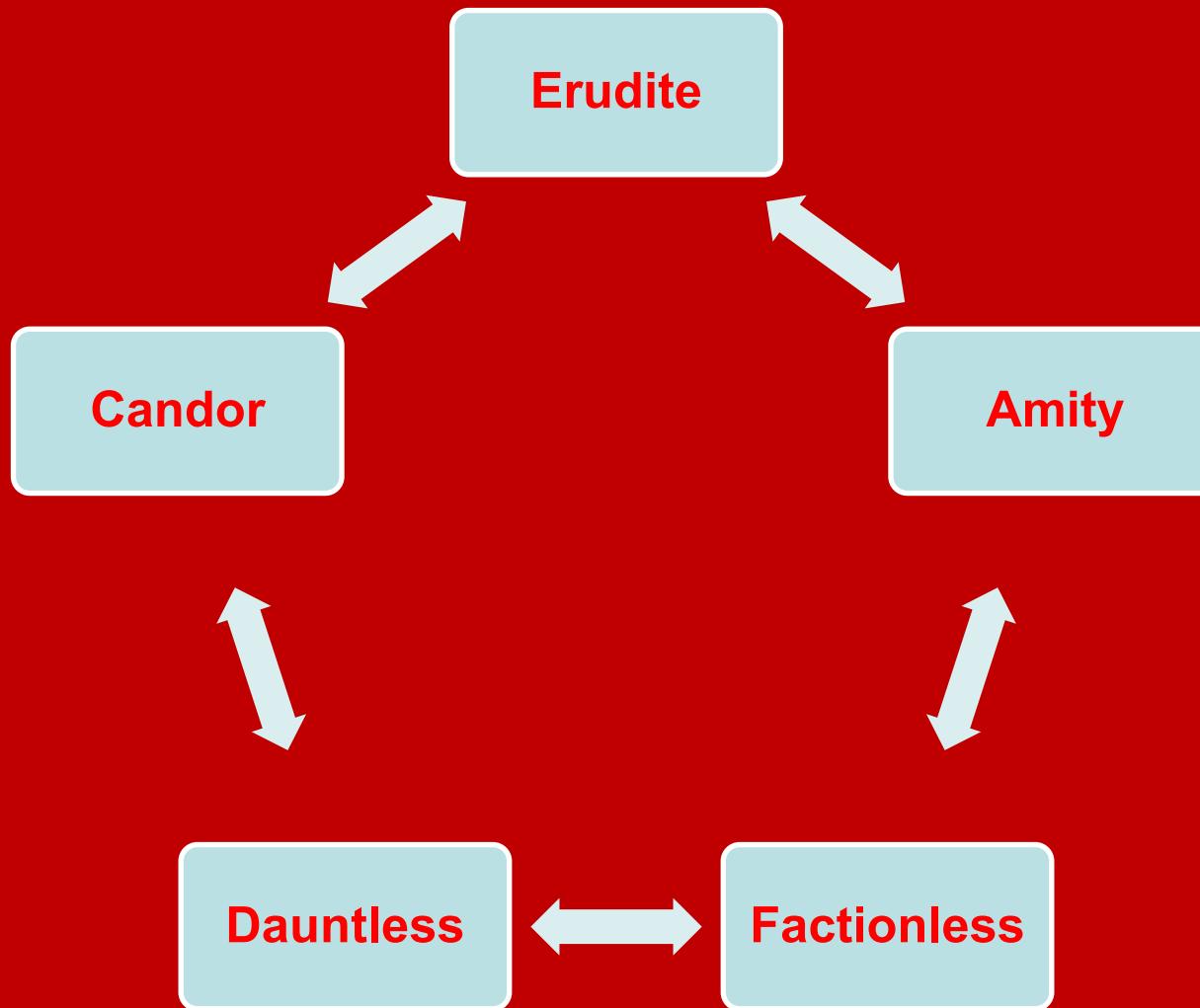
- **Erudite's (Jeanine) coalition**
 - Candor
 - Loyal dauntless
- **Opposition (insurgents)**
 - Traitor dauntless (Tris, Four)
 - Abnegation remnants
 - Factionless (Evelyn)
- **Amity stays out**





Political cycling

(Book 2, *Insurgent*)

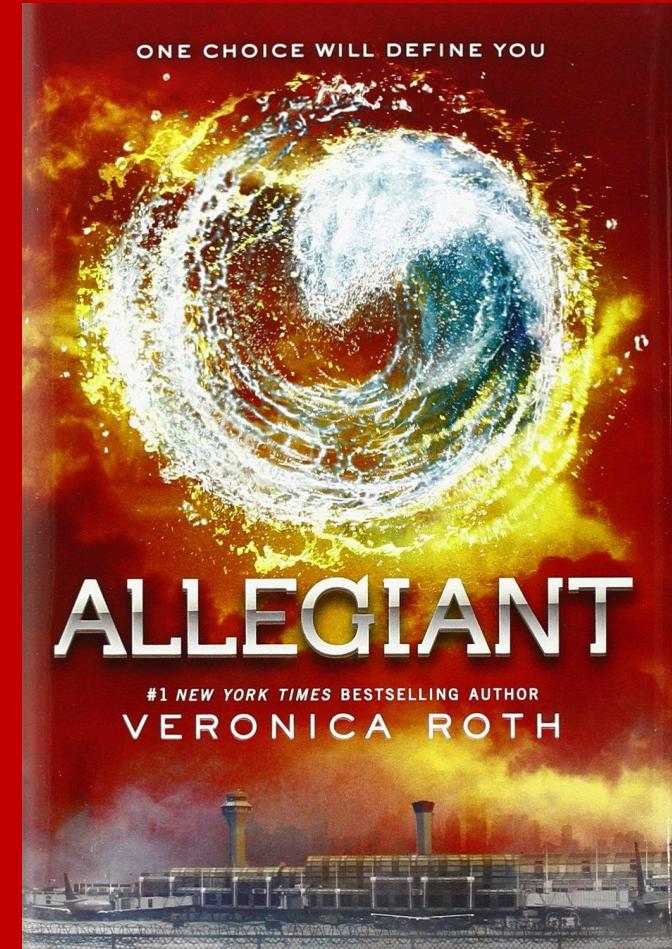




Principal-Agent

(Book 3, *Allegiant*)

- Social engineering
 - Bureau of Genetic Welfare
 - Experiments in several cities
 - Chicago is the last “hope”
- BGW (principal) frustrated by individual initiative of their “agents”
 - Jeanine
 - Evelyn
 - Tris’s mother
- Destruction of the faction system





Assignments for classroom discussion

- **Reflection papers on key terms and concepts**
 - Identify a scene that demonstrates the application of X
- **Longer papers that apply one or two concepts to character arcs and plot**
 - Examine how Tris's actions in Divergent reflect rational choice over the course of the novel
- **Scene/chapter deconstruction**
 - How does game theory help us understand the relationships and choices made by x and y in this scene?



A classroom exercise in public choice economics

- **Assign students to a faction**
 - They are not allowed to deviate from their faction's purpose/mission
 - Have them individually rank the relative power of the other factions
- **Working in a group, have the factions**
 - Identify what would make an “ideal” society
 - Rank each faction on their likelihood they would agree with their goal
- **Round I: Allow the primary factions 5 minutes to negotiate with their most closely aligned faction to join a coalition to rule the society**
 - Have students individually rank the relative influence/dominance of the factions
 - Discussion: What coalition appears to be dominant? Are factions unified, or divided on with whom to align? Does one faction seem to dominate the discussion?
- **Round II: Allow the Factionless to negotiate with their most closely aligned faction to join a coalition**
 - Have students individually rank the relative/influence of the factions
- **Round III: Allow 5 minutes for the factions to negotiate new alliances and coalitions**
 - Have students individually rank the relative influence/dominance of the factions



Classroom exercise: Discussion

- What were the identified interests of the factions? Where these “rational” in an economic context?
- Did the faction (collective) interest(s) deviate from the individual interests?
- Were the choices by factions “rational” in the economic sense?
- What constraints (rules) limited their decisions?
- What were the opportunity costs of aligning with one faction versus another?
- To what extent were decisions made on the margin? Did they include “sunk costs”? What role did multiple rounds play in determining the outcome?
- How does “self interest” play in the stability of the coalitions or governing regimes?
- How did “trust” factor into the decision to align with one faction or another? What role did incentives play? Contract enforcement?
- How could the “rules of the game” change, and how might they result in different outcomes?



Blending economic principles with relevant culture

- Dystopian trilogy
 - Divergent (2011)
 - Insurgent (2012)
 - Allegiant (2013)
- Books sold 6.7 million copies 2013
- Films generated \$750 million worldwide
- *Divergent* was Roth's senior honors thesis at Northwestern

