

DOUGHNUT ECONOMICS PRESENTS ...

ECONOMIC MAN vs. HUMANITY: A PUPPET RAP BATTLE

STARRING



"POTATO"



"FACTS"



"BRASH"



"PROF"

Storyline and lyrics by Simon Panrucker, Emma Powell and Kate Raworth

Key concepts and quotes are drawn from Chapter 3 of Doughnut Economics

VOICE OVER

And so this concept of rational economic man is a cornerstone of economic theory and provides the foundation for modelling the interaction of consumers and firms. The next module will start tomorrow. If you have any questions, please visit your local Knowledge Bank.

POTATO

Hello?

BRASH

Hello?

FACTS

Shall we go to the Knowledge Bank?

BRASH

Yeah that didn't make any sense!

POTATO

See you outside.

[They pop up outside.]

BRASH

Let's go!

[They go to The Knowledge Bank]

PROF

Welcome to The Knowledge Ba... oh, it's you lot. What is it this time?

FACTS

The model of rational economic man

PROF

Look, it's just a starting point for building on

POTATO

Well from the start, something doesn't sit right with me

BRASH

We've got questions!

PROF

[Sighs] Ok, let me go through it again . . .

Verse 1: Overview

Prof gives a summary of the whole portrait, which then gets broken down into its detailed parts in following verses

PROF

Listen, it's quite simple...

At the heart of economics is a model of man
A simple distillation of a complicated animal
Man is solitary, competing alone,
Calculator in head, money in hand and no
Relenting, his hunger for more is unending,
Ego in heart, nature's at his will for bending

POTATO

But that's not me, it can't be true!
There's much more to all the things humans say and do!

BRASH

It's rubbish!

FACTS

Well, it is a useful tool
For economists to think our reality through
It's said that all models are wrong but some are useful¹
So can't we take a new look at this model being truthful?

Verse 2: Models and reflexivity

Prof: Models are harmless, allowing us to study a typical individual.

Students: Models change us so they matter a lot.

Discussion: do you think the models we learn - that claim to tell us who we are - change how we actually behave? What are some examples from everyday life of how the stories we tell ourselves shape what we do?

PROF

The model's fine, it's really quite obvious,
That man fits the mould of our *Homo economicus*²
It is the average individual, an atom we can
aggregate to make the model calculate outcomes³

FACTS

But studies show the more that students learn
Of this model of man then the more they turn to
Self-interest, see? And competitiveness
They value altruism and collaboration less⁴

BRASH

To take the model literally is actually dumb!

POTATO

Who we tell ourselves we are shapes who we become
If we carry on regardless, we're heading for calamity
We desperately need a better portrait of humanity

CHORUS

The model seems quite ideal to me
But it doesn't match up with reality
We need a better portrait of who we are

It must project rationality
But what about our humanity?
Things are working fine the way they are
We disagree, let's debate some more!

Verse 3. Self interest vs Altruism

Prof: self-interest is a valuable economic trait and through the market it can generate collective wellbeing.

Students: we are highly social animals, motivated by our interest in others - it can't be left out of the model.

Discussion: Do you think people are primarily self-interested or socially motivated or a mix of both? Where are some tensions between these two traits? Give examples from life.

PROF

Let's break it down: self-interest, of all the virtues
Is most beneficial for individuals to turn to
Truck, barter and trade, economy starts
With a model of man with only ego at heart

POTATO

But self-interest's just one of many traits
Showing only ego at heart is a terrible mistake

BRASH

Justice! Generosity! Public spirit!

POTATO

...are missing from the model and we think they should be in it!⁵

FACTS

If we study our behaviour we can clearly show that
We're more socially invested than the naked mole rat⁶
We share...help...co-operate...queue⁷...
Things we'd be amazed to see another species do⁸

POTATO

This aspect of our being is critically valuable
We are so much more than just a dollar-hunting animal⁹

CHORUS

Verse 4. Motivation and incentives

Prof: we can model ourselves as work-hating and luxury-loving, and motivated by money.

Students: we are also intrinsically motivated - and introducing money can even undermine that.

Discussion: Are people work-hating or are they actually purpose-seeking? Bring examples from life of when money can motivate and also when introducing money into the situation can undermine our motivation or relationships.

PROF

Humans hate to work – it's a means to an end
Only money motivates, luxuries make amends¹⁰

POTATO

But money only goes so far before it's worthless
My motivating force is something deeper - purpose!

FACTS

Sometimes we work because we care about the aim
And if money enters in then our enthusiasm wanes¹¹

BRASH

Not everybody wants to work for money on a platter

POTATO

Sometimes we do things just because they matter

BRASS BAND BREAK

Verse 5. Rationality and information

Prof: it works well to model humanity with full information and full rationality.

Students: life is inherently uncertain, we make decisions with incomplete information and follow heuristics (rule of thumb).

Discussion: When you are buying things, how much information do you seek out first? When do you follow the rule of thumb? How does this change according to what it is that you are buying? How 'rational' do you think your purchasing decisions are? What other factors come into the mix?

PROF

Rational economic man is all knowing
Calculating constantly to keep his wealth growing¹²
Comparing all goods and all prices over time¹³
Sure it's an abstraction, but it works just fine¹⁴

BRASH

No it doesn't.

FACTS

No, it's a superhuman version
In reality there's no way we can be so certain
Usually we make do with the rule of thumb¹⁵
Since people can't know everything, the model must be wrong

POTATO

The model doesn't feel to me like it's a human being
It's abstracted us into a kind of human slot machine!¹⁶
When we want the best, yes, we estimate the cost
But if we don't admit uncertainty something core is lost

CHORUS

Verse 6. Humanity and nature

Prof: nature can be portrayed as a resource, an economic input that serves to meet people's endless demands.

Students: we are part of the web of life, and need to develop a sense of sufficiency so that we live in harmony with nature.

Discussion: How does mainstream economic theory treat the living world? ('environmental externalities'). What are the consequences of seeing the living world as 'natural resources'? Do humans have insatiable demands, or do we have (or can develop) a sense of sufficiency? Give examples from life, and discuss the implications.

PROF

The economy needs inputs and the world is replete
Nature is a resource that lies at our feet
Mine it, log it, drill that well,
The Earth is our dominion and it's here for us to sell¹⁷

BRASH

Um, sorry but that's very big headed

POTATO

We are not above the web of life, we're deeply embedded!¹⁸

PROF

But human desire is an insatiable force¹⁹
And what the market demands will be supplied of course!

FACTS

But that comes down to culture – we need sufficiency
Where we're part of nature's cycles, not a separate entity
So will we keep consuming until we're overstuffed?
Or can we find a balance, knowing how much is enough?²⁰

PROF
ENOUGH!

PROF
Look, clear off would you? I've gotta close up for the night!

POTATO
Ok, thanks for your time

FACTS
I've got a few more questions though!

PROF
Yeah I bet you have...

BRASH
See you tomorrow!

PROF
Grunts

PROF
We need a better portrait of who we are. What would *that* look like then? . . .