

## Parables on Economics in Tim Burton's *Charlie and the Chocolate Factory* (2005)

- We see the importance of trust under capitalism, *some* of Willy Wonka's employees sold his trade secrets so he closed the factory, throwing *everyone* out of work.
- Willy Wonka is an *industrialist*, he combines science, technology, innovativeness and entrepreneurship to create things that people want to buy.
- We can assume that the movie takes place in *early capitalism* because Charlie's family takes care of one another, young and old, thus the welfare state of *modern capitalism's* "cradle to grave" social policies are not yet in existence.
- The Oompa Loompas may represent the *feudalism* mentality. Willy is seen as a benevolent 'king' whose social contract with the 'church' and the people is the Oompa Loompas' worshiping of the chocolate bean. The Oompa Loompas are serfs 'tied' to the land (the chocolate factory) and to their social relations of production.
- We see Schumpeter's *creative destruction*; Charlie's Dad loses his job on the assembly line when it becomes automated. After a period of adjustment his Dad gets a better job due to the very technological change that threw him out of work in the first place.
- We see Adam Smith's concept of 'productive labor' and the 'invisible hand' of the market. One of the winners in Willy's contest for visiting the factory is a gum-chewing expert. We find that this leads nowhere in the long-run.
- We also see Smith's concept of the 'spectator' who watches over us guiding our moral behavior. Those in the movie who act in a reprehensible manner get theirs in the end.
- We see the concept of diminishing marginal utility. One of the contestants just can't get enough chocolate and this is not 'rational'.
- We see the concept of entrepreneurial trial-and-error. Some of Willy's inventions work, some don't. But without the risk-taking there is no innovation and thus no "super-normal" profits.

- We see the concept of vertical and horizontal integration. Willy's factory invents the product, 'mines' the raw materials, manufactures the product and uses the leftovers from the manufacturing process to make other products or to provide energy for the factory (horizontal integration). Willy also markets and distributes the product (vertical integration).
- Perhaps we can see Willy Wonka's contest for people to visit the Chocolate Factory and to find someone to carry on his work and vision as a way to circumvent having to take the company public and therefore alleviate Veblen's concerns about *absentee ownership* and the mediocrity of a pecuniary economy focused only on short-term profits.