

## REVIEW

## WALL•E

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The summer of 2018 marked the ten-year anniversary of one of Pixar's most revered films. Yes, it has been ten years since the release of "WALL•E." This charming movie about a sentient, lonely robot captured the hearts and souls of children and adults alike, grossing \$533.3 million at the Box Office (*Box Office Mojo*). That being said, the movie, when analyzed through the eyeglasses of an economist, falls flat on its face. It is smacked in the butt by the basic economics text the writers saliently failed to read. Its biggest error is the creation of a megacorporation that has taken over the world, and within this one giant firm we see asinine, critiques of consumerism and advertising. Second, it blames capitalism for making the Earth uninhabitable for human beings. This paper will criticize "WALL•E" from an economic lens, hoping to shine light on the gross inaccuracies the film portrays. Section II is a plot summary of the movie. In Section III we discuss the impossibility of One Big Firm taking over an economy. Consumerism will take up Section IV. Advertising will be discussed in Section V; we conclude in Section VI.

## PLOT SUMMARY

"WALL•E" begins with an outer space shot of a horribly polluted Earth. You can see the distinction between the land and the water, but the land is entirely brown and barren. As we move toward ground level, we are bombarded with abandoned skyscrapers, infrastructure, and machinery. WALL•E enters the picture, and we are introduced to his only (apparent) friend, a cockroach. As WALL•E moves around compressing garbage, we see the relics of the once bustling human civilization. This civilization was run, in

effect, by one company: Buy-n-Large. We see many ancient buildings adorning the red, white, and blue "BnL" logo, buildings such as a Buy-n-Large Ultra Store, a Buy-n-Large Gas station, a Buy-n-Large Bank, and a Buy-n-Large Transit station. As we follow WALL•E around, we see him creating trash cubes to stack; we also view "dead" WALL•E's. Our WALL•E is the last one working, and more than likely he became sentient because of this, we are led to believe.

One day, WALL•E finds a healthy seedling growing in a refrigerator, and he promptly takes it back to his home. He then later notices a red laser and attempts to catch it. In pursuit of the laser, he is lead outside the abandoned city and a spaceship almost lands on top of him. The ship drops off a white robot and quickly leaves. The white robot, EVE, begins her visit to the planet by scanning anything that catches her eye; WALL•E follows her around like a puppy dog. During her exploration, EVE and WALL•E go to a supermarket, and you can see a sign saying, "Evacuation Sale."

After a long day of scanning, WALL•E takes EVE back to his home, and to impress her, shows her the plant seedling he had found. She scans the plant, recognizes it as life, places it inside her, and shuts down. The spaceship returns and picks up EVE, and WALL•E clings onto the ship as it blasts into outer space. We catch a glimpse of an apparently failed colony on the Moon, and we see a billboard promoting a mall that is "coming soon!"

The ship takes WALL•E and EVE to the Axiom, which is the spaceship that the humans have been living in since leaving Earth. We are greeted with a huge "BnL" logo, as well as robots seemingly doing absolutely everything. They are coordinating the spaceship's landing, maintaining and cleaning it, etc. WALL•E and EVE find themselves in a cor-

ridor upon arrival, and we get our first look at humans post-Earth. And it is not pretty. They are absurdly obese, travelling on floating recliners in an upright position. There are two men trying to figure out what to do, and they are not even facing each other—they are looking at a screen in front of their faces, on a video call, like Skype.

We follow these two men until we are greeted with an enormous banner: “Welcome to the Economy.” Here we see a vibrant version of what appeared on Earth. The Buy-n-Large logo is everywhere, and everything is adorned in its red, white, and blue. All the billboards have one of two messages: “Buy—Shop—Play” or “Buy—Eat—Play.” As we view downtown, we hear over the PA system, “Buy-n-Large: Everything you need to be happy. Your day is very important to us.” Passing an all-day daycare, we hear, “A is for Axiom: Your home, sweet home. B is for Buy-n-Large: Your very best friend.” As we continue, we see various restaurants and beauty salons. There are even two people whose minds are completely obliterated by advertising. They see a commercial saying, “Try blue—it’s the new red.” They press a button on their seat, and their clothes immediately changes color, from red to blue. And they are aghast.

WALL•E follows EVE into the main headquarters of the ship. The Captain’s wheel scans EVE, then calls for him. We see all the previous captains lined up like presidents in the Captain’s chamber. This officer is aghast that a probe has come back positive, and the chamber goes into lockdown. He watches a message from the old Buy-n-Large CEO telling him it is time to begin Operation Recolonize. He starts the process, but it appears to be a false alarm when they cannot find the plant inside of EVE. Believing she is faulty, EVE is sent to be repaired.

While she is in repairs, WALL•E gets the impression that they are torturing her, so he storms in and accidentally sets off a run, releasing all the robots that were in Diagnostics. EVE goes after him, and with a fire extinguisher they make their way back to the Axiom. They give the plant to the Captain, who again begins to implement Operation Recolonize, but he is stopped by the Captain’s wheel (henceforth called referred to as “Auto”, for “Autopilot”). Auto plays a classified video for the Captain. Here, we again see the CEO of Buy-n-Large in the same press room. He says that “Operation Cleanup” has failed, and because of this, Operation Recolonize should not be put into place. He announces Auto order A113, giving him full control of everything, and above all, precluding any to Earth, ever. Auto throws WALL•E and EVE down a trash chute, but they, along with the captain and the broken robots from Diagnostics, can defeat Auto

and set the ship on a course back to Earth. The movie ends with the humans returning to our home planet, and it is depicted through cartoons during the credits that the people begin to farm and rebuild civilization on Earth.

## ONE BIG FIRM (OBF)

The most egregious economic error in this movie is arguably one of its core components: Buy-n-Large. The movie centers around one megacorporation that has taken over the world economically, and maybe even politically. This company has taken over the super, nay, ultra-stores, gas stations, banking, transit, and even cleanup and spaceships. The same business firm that made the mess is now in charge of cleaning up the world and sending humans into space to boot. This company has conquered everything. But is this plausible? Alas for the writers at Pixar, not really.

To allocate resources in an efficient manner, external markets are necessary to provide prices. When given prices that accurately reflect the desires of consumers, and the costs of satisfying them, it is only through the calculation of profit and loss that economic efficiency (and economic rationality) can be attained. Costs are subtracted from revenue, and the remainder serves as an indication as to whether the entrepreneur’s action was socially beneficial or not. If he has made a profit, that is a signal that he is using resources in a way that satisfies consumers sufficiently and it thus rational. This requires freely developed prices, and for these to exist, there must be an external market in which people can buy and sell. If one firm were to own all the resources in the process of making a product and were the sole producer, there would be no economic calculation:

[I]f there were no market for a product, and all of its exchanges were internal, there would be no way for a firm or for anyone else to determine a price for the good. A firm can estimate an implicit price when an external market exists; but when a market is absent, the good can have no price, whether implicit or explicit. Any figure could be only an arbitrary symbol. Not being able to calculate a price, the firm could not rationally allocate factors and resources from one stage to another (Rothbard 1962 [2009], p. 613).

Without an external market with which to compare, any firm would be operating blindly and aimlessly, irrationally allocating resources. Any prices that would be assigned would be meaningless. The point is, the OBF would be in

precisely the same position as world socialism: it would have to live in a world without prices that indicate scarcities and evaluations. It would not know whether to use steel or titanium for railroad ties. The latter would be stronger, but might well be needed for other, even more important, goals. What percentage of clothing and textiles should cotton comprise? Again, it is impossible to answer such a question without market prices. With no interest rates, a price that appears throughout the economy, neither the central planner, or the OBF manager, would know whether to allow the tree to grow for another year, or cut it down now. Similarly, which would be better, to build a road through or around the mountain. The former would cost more, now, but would economize on transportation costs later. There is no non-arbitrary way to make any such determination without market interest rates.

How is it then that the Soviet (USSR) economy was able to endure for the several decades it was in power? This is because these central planners were able to access western market prices, through such vehicles as the Sears and Roebuck catalogue, which listed the prices for thousands of goods. They had available to them the doings of the Chicago Mercantile Exchange, for more such information.

From 1917 to 1922, the USSR central planners ignored such information. Pure communism was the order of the day. But the economy tanked to such a degree that even they began to utilize prices determined in the west, under their New Economic Plan. But this option would be unavailable to the OBF. It would have to wallow in the type of ignorance the USSR escaped.

Then, there is the issue of how the OBF could form in the first place. Supply curves slope in an upward direction. This means that the more someone purchases, the higher, and higher, and even higher price he must pay. Therefore, it is impossible to “corner the market” for any one good, such as coal, or wheat, or cows. If someone tried to do so, he would face elevated prices, the larger a position he took in this item. But the OBF is not trying to corner the market for one product. To succeed, it must do so for *all* goods and services created.

Also, “the bigger they are, the harder they fall.” Under the free enterprise system, there is an upper bound for firm size. When this is exceeded, inefficiency erupts. The managers cannot take cognizance of what all the employees are doing. They start to act at cross purposes. “Too many cooks spoil the broth” and the OBF comprises every “cook” on the planet who is employed. A manifest impossibility, practically speaking.

One Big Cartel would have the same problems as One Big Firm. The prices would be meaningless, and any exchanges made would be akin to an individual trading with himself. The cartel would not know the economic value of its goods and services and would thus be making wholly irrational decisions. This issue is not even all or nothing. The larger the firm or cartel were to get, the more irrational its actions would become as the external market became less and less of an indicator of the society’s preferences and alternative costs. The more irrational its actions were to become, the more losses suffered by the company. Smaller commercial entities would be able to outcompete these giants.

Cartels, too, are subject to failure from two sources (Rothbard 2017). Internally, each member of such an organization has an incentive to “cheat” the others, by producing more than its allotment. Externally, if ever the cartel begins functioning, and through its cutback of output raises prices, its greater profits will attract new entrants.

But let us, arguendo, assume that a firm or cartel like this could be established. What would it be able to do? In short, nothing of substance. On the consumer side of things, “[s]ince...consumers’ demand curves for a firm are always elastic above the free-market equilibrium price, it follows that the cartel will not be able to raise prices or earn more from consumers (Rothbard 1962 [2009], p. 660).” If they cannot raise prices, can they at least exploit laborers by lowering wages and increase profits that way? Any reduction in wages below marginal productivity would create an entrepreneurial opportunity to compete with the OBF or cartel and offer workers a higher wage. This would end the universal cartel and return wages to marginal productivity levels. So even if such a monolithic company were able to be created in the first place, it would not be able to do anything that would exploit consumers or workers. It would soon enough topple into bankruptcy.

## CONSUMERISM

Another salient target of this film is consumerism. The ruined remnants of earth dramatically illustrate that a completely consumerized market was to blame. It got so out of hand that there were even plans for a mall on the Moon.

It was originally believed by all good progressives that the overthrow of the capitalist system and installment of a socialist regime would increase the standards of living. This, presumably, would eliminate the inherent contradictions of free markets. Once history proved that free markets did more to increase the wealth and well-being of more humans

than any other system known to man (Gwartney et al., 1996), tactics needed to change. Enter consumerism. Now the problem is not that capitalism will not produce a sufficient amount of wealth for everyone, but that it will create *too* much wealth! What an interesting pivot by the anti-marketeers. We are now *too* well off.

But consumerism is not a problem everywhere in the world. It is only a problem in wealthy countries, that is, those which embraced markets. Poverty, much less consumerism, were viewed as social issues in the 1500s. No, prior to capitalism, it was believed that there will always be a small minority living in prosperity (by 1500s standards) and a large majority living in poverty. *C'est la vie*. The fact that we have evolved to the point of even considering that we are *too* well off is hardly an indictment of capitalism. What a remarkable turn of events we have seen in the last two hundred years.

It cannot be denied that the debate of consumerism is a check in the win column for capitalism. The law of diminishing marginal utility applies to nonmaterial goods—like leisure—as well. We do not desire goods, material and non-material, *ad infinitum*. At some point, the good in question will cease being scarce in the eye of the actor and will thus lose value and will stop being desired. If we had the ability to spend all day lying in bed, eventually we would become restless and wish to do something more productive. Rockwell (2006) writes:

There's no dog-eat-dog. Competition is really nothing but entrepreneurs and capitalists falling over themselves in a quest to win the hearts and minds of the consuming public... if by 'consume' we [mean] to purchase products and services with our own money in order to improve the human condition, who can't help but plead guilty?

Value is subjective, and it is illegitimate to compare utility interpersonally, so a debate over the proper amount of consumption is absurd.

The role of money is also seldom included in this conversation, at least properly. Money is innocent when it comes to consumption—the Federal Reserve is not. The topic of “excessive” consumption cannot be discussed without including the role the government plays in encouraging consumption. By continually manipulating the supply (and thus the value of money), the government injects a higher level of uncertainty into the economy. This, in turn, raises individuals’ time preferences, causing increased present consump-

tion and decreased saving, which results in slower economic growth. All this is due to the Federal Reserve (and central banking as a whole). The only legitimate defense, then, of the “excessive” consumption charge today is economic intervention by the state.

## ADVERTISING

Now let us consider the film’s attack on advertising. This practice is often made out to be evil and manipulative, compelling consumers to purchase many things they do not actually need. This point of view can be summed up by Felicia Cosey’s description of what happens in “WALL•E”: “In WALL•E, it is the promotion and advertisement of BnL’s goods and services that engender the passengers’ desires to make purchases of the goods and services offered to them” (Cosey 2018).

Notice the verbiage. BnL *engenders* the passengers’ desires. This is a typical weasel word for this type of argument. People are powerless against advertisers. A quick little commercial with a catchy jingle, and, presto, they have our money. Those in the advertising industry might well reply: “If *only* it were that easy!” Regardless of what anyone says, we are all skeptical of all advertising and are *not* quick to purchase anything shown to us. BnL didn’t engender anything. They offered goods that they hoped would satisfy their customers’ desires. It was up to the customers whether or not to purchase. This specious power oft attributed to advertisers in false and insulting. Humans are not programmable, predictable beings. We have free will. Our choices are our own, and in a free market we cannot and are not compelled, nor “engendered,” to buy anything from anyone. Capitalism is voluntary and mutually beneficial *ex ante*.

## CONCLUSION

Pixar makes wonderful films. Thus, the appalling lack of economic sophistication depicted in “WALL•E” is even more egregious than would otherwise be the case. The worst villain of the film, Buy-n-Large, is an all but economic impossibility. One giant firm would be tantamount to a centrally planned economy and would fail miserably in allocating resources efficiently. No firm would even get anywhere near the size of BnL as losses would increase immensely as it enlarged. Consumerism as an objection centered around “excessive” consumption only makes sense in the context of a central bank manipulating the money supply and raising individuals’ time preference. Lastly, advertising has no

power in the people in the market. To argue that it does ignores human action and is insulting to human intelligence and free will. The moral of this movie? Don't turn to cute films about lovable, sentient robots for economics lessons. Turn to economics books. Or, infuse robots with a bit more economic sense.

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