

Romeo and Juliet: The Cost of Love

“O Romeo, Romeo! Wherefore art thou Romeo? Deny thy father and refuse thy name” (Shakespeare 2.2.33-34). When thinking of the play *Romeo and Juliet*, one cannot forget these famous lines spoken by a desperate, love-sick Juliet on her balcony. Juliet longs for Romeo although she knows that their love might lead to their doom. This play, though not written solely to explain economic ideas, possesses some of the major decision-making aspects of economics. Subtly, one can find the nuances that make this a lesson in cost-benefit analysis.

The play follows two families, the Montagues and the Capulets, as they feud in Verona, Italy. Beneath all the fighting and mishap, the audience finds two ill-fated lovers, Romeo, a Montague, and Juliet, a Capulet. This presented a problem since the two families were like two positive ends on a magnet, always repelling each other without regard to the situation. When Romeo travels to a Capulet party, he looks at Juliet and falls for her immediately. Interestingly enough, Juliet falls for him after just a brief encounter even though her family wants her to marry Paris, a friend of the prince in Verona. Eventually, both realize that their parents and families will not allow their relationship to blossom since the hatred between the families is too great. Following their passion and instincts, Romeo and Juliet get married clandestinely by Friar Lawrence, Romeo’s close friend. Later, after Romeo duels and kills a Capulet, he is banished from Verona. The Capulets still want Juliet to marry Paris, but Juliet cannot fight against her heart. Desperate and ever-more in love with Romeo, she scurries to Friar Lawrence for help. Hurriedly, the friar develops a plan where Juliet will feign her death and where Romeo will come to rescue her. When Romeo hears of Juliet’s apparent death, he purchases a

vial of poison and returns to the city. Seeing Juliet in her tomb and unaware of her faked death, he drinks the poison to die beside his lover. When Juliet wakes from her slumber, she sees Romeo dead beside her, and she then takes drastic action by stabbing herself. This story about love, though tragic, can teach us some crucial economic principles.

The most prevalent economic concept in the play is opportunity cost. This refers to something that is given up in order to obtain something else. In the play, no tangible items are gained, but instead, there is the interesting idea of the opportunity cost of love. Romeo, by falling in love with Juliet, finds that he has to give up family, stability, and luxury. By analyzing this predicament on-the-margin, or incrementally, Romeo sees that if he receives increasing love from Juliet, the additional benefits accrued will outweigh the additional costs. Some will disagree with his analysis because they will say that the costs were more substantial, but it is up to each individual to make personal decisions on-the-margin to see where the marginal benefit exceeds the marginal cost. Juliet has a similar situation because by falling increasingly in love with Romeo, she accumulates more costs including: increasing hostility from the nurse who cares for her and more disapproval from her family. Juliet weighs her options, and for her, the marginal benefits of love exceed its marginal costs. She is willing to give up her family, her possible fame with the marriage to Paris, and her own luxurious life. In a monologue, she states that if Romeo will love her “[she’ll] no longer be a Capulet” (Shakespeare 2.2.36). Evidently, love trumps family according to both of them.

The ideas of scarcity and unlimited wants are some other economic principles illustrated in the story. Romeo and Juliet first glance at each other, and afterward, they want to see each other more often. Then, they want to get married. In this analogy to

economic wants, the “wants” of the pair grew exponentially over the course of a few days. At first, they are able to fulfill their wants, but in the end, the scarce amount of support, a resource in this situation, causes the tragic unfolding that leads to their deaths. Unlimited wants compared against scarce resources is a primary economic dilemma. People’s wants change over time, but there are finite resources in the world. This creates a situation where choices must be made. For a society, the goal of an economic system is to make choices in order to best fulfill all wants.

The concept of externalities is visible in the scene where Juliet pretends to die. An externality is the uncompensated impact of a person’s actions, beneficial or costly, on innocent bystanders. When Juliet drinks the poison, she perceives she will receive personal benefit because Romeo will come and rescue her, allowing her to live happily ever after. She does not realize that she is creating a negative externality, or negative effect, on the people around her. Her parents, friends, and family become grief-stricken when they learn of her death, and thus, the social cost to the people around her is greater. This example is analogous to any industrial giant that pollutes the air and creates negative externalities. The social cost created by the polluters is much greater than the private cost that the market endures.

The most interesting economic concept within *Romeo and Juliet* is game theory, “the study of how people behave in strategic situations” (Mankiw 358). This idea explains that people behave according to how they think others will respond to their behavior. Using game theory, economists try to determine the actions that “players should take to secure the best outcomes for themselves in a wide array of ‘games’” (Dixit and Nalebuff). One “game” within game theory is the prisoner’s dilemma. This is the

situation where captured prisoners find it difficult to cooperate even when both can potentially benefit. In Romeo and Juliet, the two face the prisoner's dilemma in the sense that they are trying to cooperate, but the distance between them makes it extremely difficult to create an optimal outcome. After Romeo is banished from Verona, the friar attempts to coordinate a situation where the both of them can live freely. The news of Juliet's feigned death is supposed to reach Romeo, but it never does. When he finds Juliet asleep, he has two choices: life or death. The two of them are a metaphor for a duopoly as they are the only "producers," or "players," in the market. By drawing a payoff matrix for Romeo and Juliet, the conclusion is that neither individual has a dominant strategy, a "strategy that is best for a player in a game regardless of the strategies chosen by the other players" (Mankiw 360). There are two equilibriums within the matrix because if either Romeo or Juliet commits suicide, then the other would follow in order to avoid living unhappily alone. If either does not commit suicide, then the other one obviously would choose to live. This is an extreme case of the prisoner's dilemma because both of their lives are on the line. Romeo is the first to act, and seeing that Juliet has "died," he chooses death. When Juliet wakes up, she has the same two choices, and she chooses suicide also. The both of them took their own lives in order to be free from the pain and unhappiness. Through their downfall, Romeo and Juliet prove that cooperation even among lovers is difficult. In the real world, cooperation is no different. The dispute over nuclear armament between the U.S. and Soviet Union was an example of how the prisoner's dilemma could be costly. Both sides believed that having more weapons would be beneficial, so they stock-piled weapons, acting selfishly and producing a sub-optimal outcome.

Though analyzing *Romeo and Juliet* using economic terms may seem a bit farfetched, one can see that there are examples of economic concepts in all human behavior. Romeo and Juliet highlight the theories of opportunity costs, scarcity, unlimited wants, externalities, and game theory. Though some of their choices may seem irrational to the general public, they acted rationally based on their analysis of costs and benefits. Of course, their judgments left them for dead, but that is just part of economics, making choices and seeing the outcomes. Though Shakespeare was not an economist, it is still interesting to note the powerful economic concepts illustrated in his drama.

Works Cited

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