



Lesson Plan: "Cersei's Realization: The Principal-Agent Problem in Imperial Governance"

Objective:

Students will analyze how large governments face challenges when trying to govern distant territories. They will apply the principal-agent model, information asymmetry, and incentive-based solutions to understand why rulers often struggle to ensure that local officials act in the interests of the state. Students will compare the governance challenges faced by the Iron Throne with those faced by emperors in Imperial China.

Materials Needed:

- Clip from Game of Thrones featuring Cersei discussing the difficulty of ruling the North.
- Handout explaining principal-agent theory, information asymmetry and monitoring costs.

Lesson Steps:

1. Introduction (10 minutes):

- Provide an overview of governance in large political systems.
- Introduce the principal-agent problem.
- Explain how rulers depend on agents to implement policies.
- Discuss the challenges of governing distant regions.

2. Viewing Clip (3 minutes):

- Show the clip where Cersei explains that the North cannot easily be controlled by outsiders.
- Ask students to identify why governing distant territories is difficult.

3. Group Discussion (10 minutes):

- Divide students into small groups to discuss:
- Why does distance create governance problems?
- Why might local leaders pursue their own interests?
- How can rulers encourage loyalty?
- What examples of this problem exist today?

4. Concept Application (15 minutes):

- Principal-Agent Model:
 - Define:
 - Principal: The Crown.
 - Agents: Northern lords and local officials.
 - Explain information asymmetry.
 - Discuss how agents often possess information unavailable to rulers.
 - Analyze why local rulers may pursue goals different from those of the Crown.
- Interactive Component:
 - Ask students to design a governance system for controlling the North.
 - Students must propose:
 - Monitoring systems.
 - Incentive structures.

5. Wrap-Up and Reflection (10 minutes):

- Recap principal-agent theory and state capacity.
- Compare Westeros to historical empires.
- Discuss modern examples of governance challenges.
- Reflect on the limits of centralized authority.

6. Homework/Activity (20 minutes):

- Students create a governance reform proposal for the Iron Throne.
- They must address:
 - Monitoring agents.
 - Reducing information asymmetries.
 - Improving state capacity.
- Students present their findings in a 2–3 minutes.

Handout – Cersei’s Realization: The Principal-Agent Problem

Key Concept: Principal-Agent Problem

A principal-agent problem occurs when one person relies on another to act on their behalf but cannot perfectly monitor their actions.

Key Terms

- **Principal**
The ruler or organization giving instructions.
- **Agent**
The individual carrying out those instructions.
- **Information Asymmetry**
When agents possess information that principals do not.
- **Monitoring Costs**
The costs of overseeing agents.

Why It Matters

As governments become larger, rulers must rely on agents to govern distant territories.

Historical Connection

Imperial Chinese emperors relied on local officials to govern distant regions. Because monitoring was difficult, emperors often sought ways to reduce incentives for corruption rather than relying solely on oversight.

One solution was maintaining relatively low tax rates, reducing the amount tax collectors could gain through corruption.

Game of Thrones Example

Cersei tells Joffrey:

“The North cannot be held...not by an outsider. It’s too big and too wild.”

Distance makes it difficult for the Crown to monitor Northern lords and ensure they act in the Crown’s interest.

Discussion Questions

- Why does distance create governance problems?
- Why might local leaders pursue their own interests?
- How can rulers encourage loyalty?
- What examples of this problem exist today?