



Lesson Plan: "Daenerys's Dragons: A Solution to the Principal-Agent Problem"

Objective:

Students will analyze how rulers overcome the principal-agent problem when governing large organizations and empires. They will apply the concepts of the principal-agent problem, credible commitment, and incentive alignment to understand how Daenerys secures loyalty from her followers. Students will compare Daenerys's solution to historical methods used by rulers in feudal Europe to ensure agents acted in their interests.

Materials Needed:

- Clip from Game of Thrones where Daenerys arrives on Drogon and asks the Dothraki to become her Blood Riders.
- Handout explaining the principal-agent problem and credible commitment problem.

Lesson Steps:

1. Introduction (10 minutes):

- Provide an overview of the principal-agent problem.
- Explain:
 - Principal: ruler or leader.
 - Agent: individual acting on behalf of the ruler.
- Discuss why rulers often struggle to ensure agents act in their interests.
- Introduce the concept of credible commitment and why followers must believe a ruler's promises.

2. Viewing Clip (3 minutes):

- Show the clip where Daenerys arrives on Drogon and asks the Dothraki warriors to become her Blood Riders.
- Ask students to identify why the Dothraki choose to follow Daenerys.

3. Group Discussion (10 minutes):

- Divide students into small groups to discuss:
- What incentives do Daenerys's followers have to remain loyal?

- Why might followers refuse to support a ruler?
- How does the dragon affect the relationship between Daenerys and her followers?
- How might rulers solve similar problems without dragons?

4. Concept Application (15 minutes):

- Principal-Agent Model
 - Explain that Daenerys relies on soldiers, generals, and Blood Riders to carry out her goals.
 - Explain that rulers must align agent incentives with their own interests.
- Credible Commitment Problem
 - Explain that followers must believe a ruler can deliver on promises.
 - Discuss Daenerys's promises:
 - Victory.
 - Wealth.
 - Conquest of Westeros.
 - Explain that Drogon makes these promises more believable.
- Historical Comparison
 - Explain that rulers in feudal Europe faced similar principal-agent problems.
 - Discuss how rulers established credibility through:
 - Religion.
 - Tradition.
 - Military reputation.
 - Compare these methods to Daenerys's use of dragons.

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

- Recap the principal-agent problem and credible commitment problem.
- Discuss how Daenerys uses dragons to make her promises credible and encourage loyalty.
- Reflect on why modern governments rely more on institutions than personal power.

6. Homework/Activity (20 minutes):

- Students write a short memorandum advising Daenerys on how to maintain loyalty after conquering Westeros.
- Students must address:
 - The principal-agent problem.
 - How dragons help solve it.
 - One solution that could replace reliance on dragons.

Handout – Daenerys's Dragons: A Solution to the Principal-Agent Problem

Key Concept: Principal-Agent Problem

Rulers depend on agents such as soldiers, generals, and officials to carry out their goals. Problems arise when agents have incentives that differ from those of the ruler.

Key Terms

- **Principal**
The ruler or leader.
- **Agent**
An individual acting on behalf of the ruler.
- **Incentive Alignment**
Creating rewards and punishments that encourage agents to act in the principal's interest.
- **Credible Commitment**
A promise that others believe will be honored.

Why It Matters

Large organizations and empires cannot function unless principals can ensure agents act in their interests.

Historical Connection

Rulers in feudal Europe faced principal-agent problems because they relied on nobles and military leaders to govern. To secure loyalty, rulers often established legitimacy through religion, tradition, and military reputation.

Game of Thrones Example

Daenerys asks the Dothraki to become her Blood Riders. Her dragon helps solve the principal-agent problem.

Discussion Questions

- What incentives do Daenerys's followers have to remain loyal?
- Why might followers refuse to support a ruler?
- How does the dragon affect the relationship between Daenerys and her followers?
- How might rulers solve similar problems without dragons?