

Economics in my eyes

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This is only plastic.

It's just something made up by people.

Truly meaningless until we put out faith in
it.

Faith is what makes an Economy exists.

Without faith...it is only plastic cards and
paper money.

– South Park S13E3 Margaritaville

Are you...serious?!

Yes.

Macroeconomics is a study on *aggregate* behavior, and what the majority believes (not) to be valuable will eventually become (not) valuable.

E.g. Value of Bitcoin in 2008 v.s. now.

Rational Expectation: agents inside the model are assumed to “know the model” and on average take the model’s predictions as valid. Agents’ some particular expectations may be wrong, but are correct *on average* over time.

The rational assumption is nonsense

First of all, rational expectation \neq individual rationality.

Your suspicion is probably valid in individual level.

At aggregate level, **I believe** that the irrational behavior between each individual will average out, and eventually the **aggregate behavior** can be rational.

I wish I can prove this point using the great history of United State...

The Oregon Treaty (1846): 8:40-10:15

The Pig shooting: 16:56-19:45

William S. Harney: 20:22-23:08

Royal Navy Refuse Landing on San Juan
Island: 26:19-28:30

Winfield Scott & Resolution: 29:54-

– The Pig War (Video by [Oversimplified](#))

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