Boardwalk Empire: Economics in Action

Economics in action is well portrayed in the second season of HBO’s Boardwalk Empire. The story takes place in Atlantic City during the Prohibition era (1920-1933), when a constitutional amendment attempted to eradicate the "evils" of alcohol consumption. Terence Winter, the screenwriter and producer, adapted the story from Nelson Johnson’s *Boardwalk Empire: The Birth, High Times, and Corruption of Atlantic City*. The book portrays the life of a historical criminal kingpin, Enoch "Nucky" Johnson.

Boardwalk Empire has received widespread critical acclaim, particularly for its visual style and historical accuracy. The series has won numerous nominations and awards, including Emmy Awards for Outstanding Drama Series, Outstanding Lead Actor in a Drama Series (Steve Buscemi), Outstanding Supporting Actress in a Drama Series (Kelly Macdonald), and Outstanding Directing (Martin Scorsese).

In the TV series, Nucky Thompson is a political figure that rises to prominence. He controls the economy and polity of Atlantic City during the Prohibition era. He interacts with several historical figures in both personal and political life, including mobsters, politicians, and government agents. The federal government takes an interest in his illegal activities, including bootlegging, fraud, and murder. While investigating Nucky’s mob connections, government agents look at his lavish lifestyle hardly affordable by a local politician.
In episodes 20-22, Nucky applies the economic concepts of demand-supply and wage discrimination to break enemy alliance and eliminate rivals. To see economics in action in Boardwalk Empire, let me introduce some of the main characters.

**Enoch Thompson** (hereafter **Nucky**) is a corrupt politician and gangster. He capitalizes on the opportunities presented by Prohibition. This shrewd and charming Treasurer of Atlantic City is a consummate glad-hander and back-room dealer. Nucky maintains strict control over illegal activities of the city.

**James Darmody** (hereafter **Jimmy**) is a former Princeton student and combat veteran of World War I. He returns to Atlantic City a changed man. Chafing under Nucky’s rule, Jimmy moves to Chicago to work alongside Al Capone, but returns at Nucky’s behest. Information about Nucky’s role in his mother’s life makes Jimmy turn against Nucky.

**Elias Thompson** (hereafter **Eli**) is Nucky’s younger brother and Atlantic City’s Sheriff. Annoyed and envious of Nucky’s fame and fortune make him form alliance with Jimmy. He persuades Jimmy to have Nucky assassinated.

**Louis Kaestner** (hereafter the **Commodore**) is Nucky’s mentor and predecessor and Jimmy’s biological father. He plots with Jimmy to depose Nucky as the “boss” of Atlantic City’s underground economy.

**Gillian Darmody** (hereafter **Gillian**) is Jimmy’s mother and an old friend of Nucky’s. She was a showgirl before moving to the Commodore’s household. She influences Jimmy’s decision to eliminate Nucky and become the underground “boos” of Atlantic City.

**Chalky White** is the de facto mayor of Atlantic City’s African-American community. He runs a major bootlegging operation for Nucky and is a target of the local Ku Klux Klan (KKK) movement.

**Mickey Doyle** is a local gangster and Chalky White’s chief rival in the bootlegging business. His misguided ambition and lack of strategic thinking put him on the wrong side of Nucky’s business dealings.

**Al Capone** is in his younger years. He learns his trade from hard-won lessons of being less hotheaded and impulsive if he wants to take advantage of countless opportunities Prohibition presented. He develops a close friendship with Jimmy in Chicago and becomes a partner of his liquor dealings in Atlantic City.

**Arnold, The Big Bank Roll, Rothstein** is a strategic thinker and consummate gambler as he fixed the 1919 World Series. He never makes a bet he doesn’t know he’ll win. He has been on both sides of deals with Nucky, always keeping his options open.
**Lucky Luciano** is a cunning and ruthless gangster from Philadelphia. His youth and ambition are sometimes a dangerous combination. While partners in liquor dealings, his relationship with Jimmy is strained over a relationship with a showgirl went awry, when she turned out to be Jimmy’s mother.

**Meyer Lansky** is a young gangster, who is a protégé of Rothstein and a partner of Luciano.

**Owen Sleater** is a young Irish criminal having connections with the Irish Republican Army (IRA). He works for Nucky as a bodyguard.

**John McGarrigle** is a puritanical Irish politician and an IRA leader. He works as a fundraiser for the IRA. He collects a sizable donation from Nucky in his visit to Atlantic City.

Jimmy, Eli, Al Capone, Lucky Luciano, and Meyer Lansky team up to eliminate Nucky. Following a failed assassination, Nucky resigns as the Atlantic City Treasurer. Upon consultation with Arnold Rothstein, he relinquishes his hold of the Atlantic City underground economy to Jimmy. Then, he plots to regain power by defeating Jimmy in a calculated and dangerous scheme. His plot has two parts: to organize a labor dispute to bring the economy of the Atlantic City to a halt, and to import high-quality whisky at reduced prices.

**Labor Dispute** – Nucky plots with Chalky White to organize a labor dispute at Ritz Carlton. African-American workers rise up against the restaurant manager over low wages and no wage increases. Their strike spreads to the entire African-American workforce in tourism and professional services. Violence breaks out when a group of KKK men attack and injure African-Americans on the Boardwalk. Nonetheless, the strike continues in spite of Jimmy’s attempt to entice Chalky White to end it.

**Import Whisky** - Nucky asks Owen Sleater to arrange a meeting with John McGarrigle in Dublin. Nucky assumes John McGarrigle owes him a favor because of a sizable donation he once made to the IRA. Upon the passing of his father, Nucky takes a casket containing a dozen Thompson submachine guns to Dublin to donate to the Irish rebellion against England. Nucky offers John McGarrigle 3,000 American-made machineguns for 10,000 cases of Irish whiskey on consignment. He has an IRA militia member to demonstrate the explosive power of the Thompson machinegun. In a subsequent meeting, John McGarrigle declines Nucky’s offer on the basis of an English proposal for truce. However, other IRA leaders favor continued armed struggle. They assassinate John McGarrigle and make a deal with Nucky. Upon the guns-for-whisky swap, Nucky floods the Atlantic City liquor market with Irish whisky at a cheap price of $30 a case.
As the new “boss” of Atlantic City, Jimmy teams up with Al Capon, Lucky Luciano, Meyer Lansky, and Mickey Doyle making a deal to hijack a truckload of medical alcohol upon delivery to the buyer. The deal costs them $60,000 each. Mickey Doyle sets up a distillation operation to make whisky. The market already saturated with Irish whisky, they find no demand for homemade whisky. Learning of Nucky’s bootlegging operation, they decide to sell the whisky in their respective hometowns of Chicago, New York, and Philadelphia. Jimmy goes north to Princeton, where he attended college.

While in Princeton, Jimmy remembers that Gillian was responsible for him being expelled from college. In a weekend visit to the campus, Gillian made out with Jimmy’s literature professor. Not seeing her mother’s wicked character, Jimmy raged an assault on his teacher. In the dorm room, Gillian forced herself on Jimmy. While drunk, Jimmy slept with his own mother. The next morning, Jimmy quit college and joined the army to go to the war.

Jimmy’s life turns tragic when an archenemy murders his wife. Subsequently, Jimmy murders the Commodore in a family dispute over Gillian’s wickedness. While defeated, Jimmy tries unsuccessfully to make peace with Nucky. He promises Nucky “things will be all good again.” But, the unforgiving Nucky conspires to trap Jimmy in a remote location under heavy rain. Nucky reveals his true character by shooting Jimmy on the face. Once again, Nucky regains power as the undisputed “boss” of Atlantic City.

The first season’s premiere was viewed by a total of 7.1 million, the highest rated premiere for an HBO series. The first season’s finale entertained 3.3 million viewers. The second season’s premiere attracted 2.9 million viewers, down 12 percent from that of the first season. On October 12, 2011, HBO renewed the series for a third season.