

CHAPTER I

INTRODUCTION

This chapter provides five prominent subchapters in introduction to understand what does this thesis mainly discuss about. The subchapter being put subsequently, from background of the study, research problem, objective of the research, scope and limitation also, significant of the research.

1.1 Background of the Study

In the world of economy at eighteenth century there is famous term known as *Laissez-Faire*. It was term originated from French regarding particular economy system. Meanwhile, in literal meaning according to *BusinessDictionary* *laissez-faire* means ‘allow to pass or let go.’ From the literal meaning it could be guessed if *laissez-faire* is term which asking no one to interfere in someone else business. Regarding this matter *BusinessDictionary* also define, the term *laissez-faire* is kind of doctrine or principle where transaction between two private parties should be freed from the government intervention such as regulation, privileges, tariffs and subsidies.

Laissez-faire itself had close relationship with free market capitalism because, it implemented economy model where each individual is being let to do transaction and, or economy activity without any interference from government to control them. In 2016, Dam Manh Long stated if free market in framework of capitalism enhances the role of individual property regime and liberal competition also, the regulate intervention from the government in economic progress are

limited in the lowest level. It could be assumed if government interference would have less effect in economy activity between individual. The concept of *Laissez-faire* has deep connection with free market capitalism due the central of its model are based on individual had liberty do economy activity with less government intervention.

Free market capitalism is born between eighteenth century and nineteenth century but, the practice in society is older compared with its birth date. From the history of capitalism, many saying if merchant in the past bought goods from foreign country cheaply and they sold it in their own country with very high margin. Even in Indonesia when it is being colonized nearly five centuries, concept 'Free Market' is not existed yet. The first moment of free market capitalism concept was introduced, should not surpass five hundred years, "Not until 1834 was a competitive labor market established in England, hence industrial capitalism as a social system cannot be said to have existed before that date." (Polanyi, 1944, p.87).

Inside society, application of Free market capitalism brought its advantage and disadvantage. The positive result of free market capitalism is, people begin to create new fresh idea, new products and new services to obtain money for themselves. At the same time, advantage is always followed by disadvantage. With profit become drive to do economy activity, capital owners justify every mean to obtain bigger profit. Unethical decision of entrepreneurs may affect the environment of free market such as bribery, blackmailing, fooling dumb customer and etc. In 2005, Kurt Vonnegurt had same interpretation about free market which stated like this, "Industries should be allowed to do whatever they want to do: bribe,

wreck the environment just a little, fix prices, screw dumb customers, put a stop to competition, and raid the Treasury when they go broke.” (Spivey, 2015, p.169). Such situations are not only happened in the past but, in the present the practice still existed within society.

All actions that considered as manipulation and deception could be included as part of the shady economy system to obtain profit under free market capitalism. Later in 2015, two economists named George A. Akerlof and Robert J. Shiller wrote in their book entitled *Phishing for Phools The Economics of Manipulation and Deception*. In that book they stated that manipulation and deception were called as *Phishing*. Phishing was derived from word *Phish* which is coined from 1996 when internet and website-based technology just established. According to *Oxford English Dictionary*, Phish or Phishing is an act of fraud in the internet by sending fake email as bait to obtain personal information such as passwords and precious personal information. But in the broader meaning inside society, phishing is likely an act of a Phishers to lure someone to make a mistake and using that chance to gain profit. The act to lure could be said as form of manipulation and, or deception since the result is causing someone doing mistake for the sake of the phisher benefits. While phools is term that used for the victim of phishing.

In this research, the writer decides to take *Spice and Wolf Vol.2* as the source of data after some considerations. First, the novel itself has free market capitalism as the back bone of the story in the novel. Second, there were many cases where merchants and customers use the flaw within free market capitalism that harming either parties which become the victim. Due two reasons before, this novel is very

well matched to be analyzed using George A. Akerlof and Robert J. Shiller phishing for phools theory which primarily criticize how free market capitalism works behind people.

Meanwhile, from the writer perspectives there were several reasons which makes this novel worth to be analyzed. For the first, because novel is mirror of society, novel Spice and Wolf Vol.2 is perfectly depicting the current situations of society where the writer lives. Manipulation and deception mostly had covering the atmosphere of traditional market near the writer home. As student of English study program that focusing in literature, the writer aiming for this thesis which analyzing trade tricks in novel Spice and Wolf Vol.2 through economy view, could help people to be more aware on practice of manipulation and deception that applied on their transaction.

Second, Spice and Wolf Vol.2 is a unique novel which written by Isuna Hasekura. Collaborating fantasy and economy in an alternate world while the time setting takes on medieval Europe. Kraft Lawrence a merchant who accidentally meet a pagan goddess named Holo whose her true form is a massive wolf, later both of them forming a contract and take journey together. The goddess promised if she will help Lawrence to become a success merchant and able to obtain his dream in exchange, Lawrence had to help her to return to the forest where she lives in her youth. Because of its uniqueness this novel received prestigious award which is *Silver Prize* awards in the *Twelfth Dengeki Novel Prize*.

Living as traveling merchant Holo and Kraft Lawrence meet many people in different town and have several troubles accompany them. Focusing on

Lawrence and Holo business together with their business partners, author's amazing touch and development of stories reveal the secret of success business is not always using fair way. Sometimes the protagonist and other character would use trick which could be considered as act of manipulation and deception or easier to be said as phishing. The reader could find the result of their action where the characters in the story would end up either in lucky or unlucky situation. After all, the author creates the flow of the story like chain reaction where the precious problems which looks like has been resolved actually not resolved yet.

The most interesting part about this novel is about the flaws of free market capitalism economy model are being exploited to gain more profit in unfair way. Previously, the writer wrote that both merchant and customer could become victim is because, the chance to harness the flaws within free market system are equal for both parties. Learning the characters action and decision in the novel help the reader to discover many tricks between the gap of free market capitalism system. The reader could take it in positive way where they able to learn it as form of defense preventing them to get phished or it might as well inspire the reader to become the phishers. The decision is the reader's right because, this analysis objective is focusing on the process how phisher lures their victim then, explain the type of the victim in accordance to the case. Later from the case, the victim or phool is going to be classified into two kinds. First is psychological phool and second is informational phool. Thus, the conclusion would not display about moral value.

From the explanation above, phishing for phools theory which is proposed by George A. Akerlof and Robert J. Shiller is summoned. The main issue in the

novel is the acts of manipulation and deception being applied as part of trade tricks that known as phishing which become legal within the atmosphere of free market. Later, knowing how many phishing actions around Kraft Lawrence and Holo, it will lead the reader to understand how the main characters business is working. Then, with phishing become the issues which make the story progress where it drags Kraft Lawrence and Holo, the reader also able to learn that the flaws which mostly used as tools to obtain more profit able to help the them to solve their issues.

Therefore, phishing for phools is very suitable theory to analyze. By analyzing the process of phishing inside the case, Akerlof and Shiller could judge the victim as psychological phool or informational phool. To analyze it, author narrations, characters utterance also activity that portray the society, will be observed.

1.2 Research Problem

Concerning the background of the research, the question to analyze the main problems are listed below.

1. How many totals of phishing actions that appear around Kraft Lawrence and Holo who live as merchant in Spice and Wolf Vol.2?
2. How the phishing issues drags Kraft Lawrence and Holo until they could find the resolution to solve it through the view of free market capitalism?

1.3 Objective of the Research

Following the research problem before, there are two objectives that going to explain to solve the problem.

1. In order to find the total of phishing actions around Kraft Lawrence and Holo, the analysis is focusing on the process of their business transactions and managements.
2. To solve the issues of phishing Kraft Lawrence and Holo decide to utilize the flaws within free market capitalism.

1.4 Scope and Limitation

The research of the problems is focusing in the business transaction and management which main character, Kraft Lawrence doing. As merchant, Kraft Lawrence had to face any problem that may occur due the way he manages his business to gain greater profit. Through his experience as merchant and wisdom from many problems that ever occurred in his business from the past, Kraft Lawrence had to outsmarts every merchant or customer that doing transaction with him. Also, he had to find the solution for any problem which is the outcome of his decision in his business management and transaction. Due the fact that Kraft Lawrence had to outsmarts also including his nature as merchant to obtain profit in every possible way, phishing for phools a theory that proposed by Akerlof and Shiller is the perfect choice to analyze it.

To have better understanding of the focus of the problems, this research limited in characters utterances, author's narration in the novel which concern and

also related in economy activity or view. Government and Church policy in the novel is included. Limitation is very important for the researcher to make detailed analysis about the novel without straying out of the research problems.

1.5 Significance of the Research

As the final result of this research, there are two objectives which will contribute in theoretical and practical objectives.

1. In theoretical objective, this research would give various advantage in development of science. Especially in literary research field and economy criticism. Through society reflection, free market capitalism had contributed in the development of economic environment within society but, it had negative impact which not many know about. Through Akerlof and Shiller criticism in their book *Phishing for Phools*, later in the future this study might help to reduce the negative impact of free market capitalism.
2. In practical, this research could assist in development of free market capitalism and also pinpoint its weaknesses. Also, this research could expand and contribute to the fellow researcher that happened have the same ground work of theory in literary research. While for society, this research might help the reader to understand if market is not always could be trusted and behind it there is always manipulation, scam or phishing done by merchant or capital owner.

