

It Doesn't Have To Be This Way

The collected essays of

**Ian
Welsh**



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Le Désespoir (The Despair)

1869

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Practical men who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.

— John Maynard Keynes

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What I Learned

It's hard now, just 16 years later, for people to remember what it was like during the explosion of the political blogosphere—the left-wing Netroots.

Before the internet and blogs, if you wanted to be part of the conversation about public life in the West, you had to go through editors at newspapers and magazines. There were gatekeepers, and they kept out people who wrote things outside the Overton Window.

We saw this in practice, in the run-up to the Iraq war. Almost all media figures supported the Iraq war, or at least didn't oppose it. Those who did oppose the war, well, they lost their jobs, or were demoted, or were shuffled off into the equivalent of a side-office.

But with blogs, when our lords and betters were full of shit, we could say so. We didn't have to be polite, or nice, because when someone's about to start an illegal war and kill hundreds of thousands, politeness isn't even a secondary consideration, it's just a question of tactics.

So, the blooming of the blogosphere and the left-wing netroots, with its motto of "more and better democrats" (by which we meant people who wouldn't support BS like Iraq or a bankruptcy bill which made it impossible for students to default on student loans), felt exciting, dangerous and powerful. It felt like, after spending our entire lives with a hall monitor shushing us, being freed to SPEAK.

Didn't quite work out how we imagined, but that was in the future. Then, the promise was bright, and the gutting of the blogosphere by Google, Facebook and Democratic insiders hadn't yet happened and didn't seem inevitable.

I started blogging at a small site, "Tilting at Windmills", but soon moved to BOPNews—The Blogging of the President.

It was an A-list blog. Oh, near the bottom of the A-list, but it was still A-list. We used to joke that "everyone everyone reads, reads us." We'd write something, it'd show up in the mainstream media the next day or two, without credit.

But the ideas were getting out there. We had readers, people cared, and we were even making some money. Not a lot, but enough for expenses and to pay writers something. (I was eventually one of the writers being paid something. Not a salary, but enough that it wasn't an insult.)

We were going to change the world, starting with the US. The US was doing almost everything wrong, domestically and overseas. We saw the housing bubble and wrote about it, and I even predicted when the housing bubble would burst. We wrote about the Iraq war, we wrote about candidates, and we helped better candidates challenge Democratic incumbents.

It was a blast even when we lost. Or, perhaps, until it became clear that we had lost the war, not just battles.

But along the way, amid the politics, this was also a journey of learning. The Ian who went into blogging and the netroots was ferociously smart, angry as hell (and got angrier and angrier till about 2014 when I realized anger wasn't helping) and assumed that people just didn't understand what to do to have a better world.

He, I, thought, "Hey, we all want people to be healthy and happy, and while a few evil deranged fuckers may like war, the vast majority want peace and prosperity."

Poor bastard.

It turned out that we don't all want that, and that when we do want that, we want it with sides of policies, actions and beliefs which make peace, prosperity, happiness and health impossible. The world is a bad place, and America is an evil empire, because that's the way American elites want it, and they've convinced enough of the hoi-polloi.

Realizing that wasn't an easy journey. I had thought that if I and others could show people they could have peace and prosperity and not be mean and evil, well, people would jump at that.

We didn't realize that being mean and evil, for a lot of people, was the point, and that for many of the rest being mean and evil (and greedy) just didn't matter. It wasn't worth

changing to get rid of evil and meanness and greed that they didn't believe hurt them.

This hasn't been a journey towards realizing how wonderful and good one's fellow humans were.

Sorry.

But it was a journey towards realizing what had made them mean. It was a journey towards realizing how elites had seized power and wealth. And it was a journey towards realizing what genuine change for the better would require.

By then the netroots were effectively dead. Various sites controlled by a few major corporations like Facebook and Google controlled most of the traffic on the Internet and, more importantly had sucked up most of the ad revenue.

The attempted revolution was long over.

But there's always another revolution. There's always another crisis. And knowledge and understanding, even if learned in defeat, are always valuable.

So please, walk with me, while I try to give to you the highlights of what I learned about our fellow humans, about the way the world and America are fucked, and about what we can do to change all that.

**Commentary on
“Baseline Predictions for the Next Sixty Odd Years”**

I wrote this article to lay out the consequences of not dealing with our problems. To be sure, things are bad now, but they're going to get much worse, and the trend lines are almost all in the wrong direction.

This sets not just the likely sequence of events, or catastrophes, for the future, but the yardstick by which any political or ideological solution must be measured. If it can't deal with climate change, ecological collapse, and an economic system that is stripping value, and with technology and politics that are looking to create a dystopian surveillance society, then it's insufficient.

Understand that sometimes if you don't act in time, you can't stop certain events from happening. We're past the point of no return on getting hit hard by climate change and ecological collapse: It's going to happen. How bad it will be, well, that remains to be seen, depending mostly on how soon and how decisively we act.

So, we don't just have problems, we have urgent problems, which we need to act on now to prevent the worst results: results like billions of people dying.

Baseline Predictions for the Next Sixty Odd Years

Today, I read [this article on how the Ocean is dead](#): How the fish and birds are gone from huge swathes of it. You should read it.

Most people are absolutely lousy system thinkers, they don't understand break-points: How you get long trends that suddenly break up or down, how self-reinforcing cycles work, and so on.

For some time, my baseline scenario has been as follows: We are so screwed.

We can expect a complete collapse of the ocean's ability to provide fish. Japan, the worst offender in this, will also be the worst hit. That doesn't make me happy, but it does make me laugh. This affects the oxygen cycle and, in the worst case, we could kill ourselves off entirely. Assuming we don't, however...

We are currently seeing a hiatus in climate change. My friend Stirling predicted this years ago, and predicted it would be used simply to double down on stupidity like fracking. And it is being used thusly. If/when the sun warms up, we are fried. Various processes are past the point of no return; we are going to see huge methane releases from Russia, for example. We are going to have worse global warming than the worst mainstream predictions.

Climate change will continue to present itself as more and worse extreme weather events, like the nasty hurricanes we've been seeing hitting further and further north. We are going to also see changes in rainfall patterns; these will continue to devastate agriculture.

Aquifers are being drained dry, in ways that permanently damage them. This is happening in China, the US, India, and other places. This water will not come back. Large areas that are currently agriculturally productive will cease to be so, independent of climate change.

We will see huge dust bowls form, including in India, China, and the US.

There will be widespread hunger, because agriculture is going to fail. Period. Right now, hunger is due to distribution issues: We grow more than enough food to feed everyone, we just don't *care* about feeding everyone. In twenty to thirty years, this will not be the case. Instead, we will just not have enough food.

Water will be as precious as hydrocarbons, which is, in part, because creating hydrocarbons requires water. Expect much of the world not just to be hungry but thirsty.

All of this is baked into the cake. We are past the decision points on all of these items—they will happen. They can no longer be stopped. Even if you concoct the most optimistic scenarios, we would need to act radically, *right now*, and we aren't going to.

Let us now move the social sphere. We are creating an unprecedented panopticon state, one in which various technologies will conspire to make it so that individuals are tracked nearly 24/7, not just online but physically. Linking all the various cameras, RFID tags, aerial drones, satellites, phones that act as spies in our pockets, and so on, with algorithms which recognize our gait, our heat profile, our face, and so on, is a project which is well underway. The NSA may be the best at this, but every major Western government is playing this game, the NSA is merely the worst offender or the best at its execution. Private tracking is likewise ubiquitous: Companies have cameras which link your face to your credit card and purchase as you pay at the cashier, for example. Everything is tied together, and anyone stupid enough to think that these companies don't share your information is a fool.

The preferred business model today is to make it so that no one owns anything. Everything is unbundled, and instead of owning it, you lease or rent it. The moment you can't pay, it all goes away. This is what "cloud" computing is about: a revenue stream. Lose your revenue, lose everything. Ownership of DNA sequences, ownership of seeds, effective ownership of your intellectual property because it appears in someone else's pipe (like Google using people's endorsements without compensating them), you will own nothing, and all surplus value you produce in excess of what you need to (barely) survive will be taken from you.

To put it another way, the current business model is value stripping. All excess value is stripped from the social sphere (as with Google taking almost all of the value that content producers create by taking almost all of the value of ads, and they control almost the entire ad market). People who cannot gain enough of the excess value they create become

economic cripples. Because the companies that make almost all the profit today are either financial companies, IP exploitation companies, or are taking value from the environment (like oil companies), there is not enough real economic growth, whatever the GDP numbers show (financial innovation isn't, and JP Morgan and Goldman Sachs' profits actually *damage* the real economy, stripping out value, not creating it).

There is no coherent ideology opposing this, no coherent alternative. Marxism died with the USSR, whether it should have or not. No new alternative to what is laughably called "capitalism" (what we're seeing now isn't) has arisen. The closest we have seen is the Pirate Party, but their ideology is too far from comprehensive and has too many holes in it, as they are concerned almost entirely with a set of issues around IP and privacy, which, while important, are not sufficient to create a new society complete with a new, humane, and ecologically sensible mode of production.

So we have runaway asset and value stripping, combined with truly insane damage to the conditions for production of food and energy. And no, photovoltaic solar is not going to save us. Certainly, it is better than coal, natural gas, or oil, but most energy use in the world is not electrical, and Solar PV cannot produce the necessary baseline. Thermal solar and improved nuclear power made in breeder reactors are probably necessary for the transition, but the word "nuclear" scares everyone spittleless (not without reason), so that's off the table. And we're going to burn.

There are always counter-reactions. I expect one when the Millennials come of political age, in the early 2020s. And I expect that the first round will fail, since it will be run by Millennials picked by their elders. The second round may succeed, but at that point we are into the 2030s.

While much of this is unavoidable, the amount of death and suffering is variable. We could lose a few hundred millions over the next eighty years whom we shouldn't have lost, or we could lose a few billion. We could see billions descend into hunger and poverty, or we could find solutions which avoid most of that.

We will not avoid it if we continue with our current ideology of, simply, Greed. As long as we put ourselves first, as long as we decide that what is good for someone is what they're entitled to do so long as the courts don't actually put them in jail (and we don't even enforce the laws on the book), we are not going to manage this chain of events to come

down on the optimistic side of estimates.

We will need to create a whole new ideology, we will need to radically revamp our societies, and we will need to give up much we have cherished. Fortunately, much of what we have cherished has been, objectively, bad for us. People may want to live in suburbia, but it isolates them socially and makes them fat, sick, and unhappy. People may think they want pretty plastic packaging, but it's why they eventually won't have fish to eat that aren't lice infested. People may think they want healthcare, but what they need is to be healthy, and that means healthy food and an environment that isn't laden with unhealthy chemicals. People may think they want jobs, but what they need, and what they would be happier with, is the ability to produce what they need without working for a pointy-headed boss.

We're going to run into this wall. Whether we run into it at a hundred miles an hour and go splat or hit it at ten miles an hour and get bruised and pick ourselves up is our choice. So far, our choice has been to run faster, but we can make another choice.

Most people who read this website are middle aged or older. If so, you'll miss a lot of the worst of this. Your kids won't. Your job, if you're old, is ideological: To help create the ideas that are lying on the floor, the ideas that are used when people are desperate. When things change in crisis, they change fast, and the ideas that are used are the ones lying around. If all that's lying around is neo-liberalism, that's what will be used. Of course ideology isn't enough, people can still choose the wrong ideology, the wrong ideas (and often have, don't tell me otherwise), but if it isn't there, all they can do is pick up what is there. That's when you start getting idiots talking about "bending the curve," as if slow incremental change won't be overwhelmed by vicious cycles already in play, as if we aren't already past key decision points, as if we shouldn't already be in crisis mode and doing not dishwasher reforms, but a radical remake of our societies.

We're going to hit the wall. We're going to have to fight a dystopic panopticon police state in which ordinary people are not allowed to own anything of real value, let alone keep any of the real value they create. We're going to do this while the environment comes apart, while we get battered by "extreme weather events," droughts, water shortages, and hunger.

That's the baseline scenario. That's what we have to be ready to deal with, to change as much as we can, to radically mitigate to save hundreds of millions or billions of lives, and to make billions of lives good, instead of meaningless existential hells.

Commentary on
“We Know What Our Problems Are and We Do Nothing or Make Them Worse”

Most Westerners struggle to understand just how bad our current governments and societies are. Indeed, how bad our governments and societies have been for decades. There is a lack of sense of real urgency about change, and a lack of understanding that the change has to be radical: that the way we run our societies is clearly wrong, because functional societies do something about obvious problems, and we don't.

People who want tweaks, or to "bend the curve" as Barack Obama once suggested, misunderstand the problem. Our entire system has failed, near completely.

We Know What Our Problems Are and We Do Nothing or Make Them Worse

I'm cranky today. A friend asked me about California's water problems, and I said: "We've known for years, and we've done essentially nothing." The problem in California is agriculture. Every Californian could stop drinking and watering their lawns tomorrow, and California still wouldn't have enough water. California is draining its aquifers, and wells are going dry. Water which took millions of years to accumulate is being drained in years.

Much of California is a desert, and yet we insist on growing food there with water we don't have. The Colorado river is drained to a trickle feeding California. It's not that California couldn't grow food, but much of the food it grows (almonds, for example) requires huge amounts of water.

So this is a problem about which we have known for decades, in one sense; I first read of California's drought vulnerability as a child, in a book published in the 1950s. In another sense, it's come quickly, due to climate change, another problem we've known about for decades and done nothing of any significance to stop. In fact, we have accelerated climate change with our policies—neo-liberalism was about shipping production from areas that produced less carbon (advanced industrial nations) to areas that would produce the same goods with more carbon. (Production in China is more carbon intensive than the same production was in the US.)

Everywhere I look, I see problems we know exist which we refuse to fix. Our actual actions often make them worse.

In the field of foreign affairs, Western actions since the 1950s, things like overthrowing democratically elected governments, favoring autocracies, funding nasty people like the Taliban, hostility to Nasser, and on and on, reaped the expected result:

Democracy, westernization, and modernization has failed in most of the Middle East, and they've turned to far nastier ways of running their societies.

In economics, the failures of neo-liberalism were predicted at the time the policies were put into place. I remember the Reagan-Thatcher years, and if you think anyone with sense didn't know they were about wealth transfers to the rich you are entirely wrong. I read my first "Oh shit, inequality is going to reach Gilded Era levels!" book in 1986. It took longer than the early predictions thought, but it has ground, inevitably, on.

As for resource stagnation, the "[Limits To Growth](#)" book was published in 1972. Its baseline exhaustion of limited resources scenario is essentially on track, its larger point that a limited world can't treat resources as unlimited is also true. Substitution only goes so far. There are two obvious solutions to that problem:

- Planned use of resources, with intense recycling and heavy dependence on management of renewable resources, or;
- Getting into space in a big way to expand the resource pool and put off much of the problem for centuries (at which point, hopefully, we figure out a better solution, or go to the stars).

Ideally, you'd go with a combination of these two, but we haven't pursued either one vigorously. Neo-Luddites on the left constantly sneer at any serious idea of exploiting space while "I've got mine, there is no future" douchebags on the right oppose both space exploration and sensible stewardship of the Earth's resources.

This isn't a "green" issue, this is a common sense, "we have limited resources" issue. The idea that substitutions can be found for anything is merest faith, an example of the fact that ideologies are far more powerful than mere "reality." (Until they aren't, a point usually proved through body counts in the millions, and soon in the billions.)

These are just a few of the "big" items. One could probably list a hundred with ease, starting with the warming and acidification of the oceans, the collapse of ocean stocks, and the great-die-off.

The complete inability of our society to deal with obvious consequences of our actions is what has doomed it. This society will not survive. The questions are only "How many people will it kill going down?" and "What will the next society look like in the ashes

of the world left to us by this one?"

Whatever it looks like, it will be very different. I have some thoughts along those lines, which I'll get to in other articles, but the new society won't be about the immediate capitalistic gratification of needs that don't actually exist. If it turns back into that, eventually, I doubt oxygen-based life on Earth will survive, and humanity will only survive if it develops self-sustaining colonies not on Earth.

Little of what is going to happen over the next hundred years will be anything humanity has not done to itself. Our fate was, and still is, in our own hands, and we will reap as we have sowed.

**Commentary on
"44 Explicit Points on Creating a Better World"**

So, the prior two posts make the case that if we don't radically change our societies, we're going to run ourselves into a propeller.

Splat.

How radical are the changes required?

This is a laundry-list post: a huge collection of necessary changes. The scary thing is, these aren't all the necessary changes, just the highlights, and it doesn't include some of the most necessary, fundamental changes: changes to who we are as people.

But read this and imagine just how different a society this would be from the one we have today.

Change. Radical change.

44 Explicit Points on Creating a Better World

- 1) Ideology is key. If you like (or were horrified by) my Baseline Predictions post, understand that the next two posts on ideology were about the solution. Our decisions about what to do are virtually always ideological. You cannot think about any complex subject without ideology, without idea structures mediating. You cannot decide what to do without making judgments that are mediated through your world-view.
- 2) We know much of what must be done. We know we need to do it. We have not done it. That suggests this is not a “practical” problem.
- 3) The structure of everyday life (job work, regimented schooling for children, passive entertainment, consumer “choice” that isn’t real choice) produces our world-view, our ideology. We are left passive and accepting of social arrangement, unable to see that there are different ways to live. We accept the world as it is, and accept systematic injustice, even injustice that directly and clearly injures us.
- 4) The problem of collective action is one part belief: people must believe they should do things differently.
- 5) Any social structure, including social structures which seek to change the dominant culture, if it can be bought out, will lose.
- 6) Any new social structure must throw off surplus that people can live on, and that surplus must not be able to be bought up by the old system, which will seek to do so. The ban against selling out/being bought out must be irrational and ideological. Rational people sell out.
- 7) The forms of the old world must be gotten rid of and must be seen as anathema. You

- cannot save the world and keep American style suburbia as it is now. You cannot change the world so people are happy and healthy and prosperous and keep wage labor as your primary method of distributing surplus value to the commons.
- 8) You cannot keep profit, aka. greed as the primary driver of social decision making. Eating is for living, living is not for eating, to paraphrase Socrates.
 - 9) Greed as primary driver leads to sociopathic behavior being rewarded (read Barkin's "The Corporation"). This means you select, systematically, people who act sociopathic ally or psychopathically as your leaders. You get the behavior your reward, and right now our system rewards people for doing whatever it takes to make money, no matter what the costs to other people, to the environment or the future.
 - 10) Most profits today are extracted value, they are not actual surplus value. Instead they represent destruction of actual economic productivity. Every cent the financial sector "earned" from 2000 to 2007 was destroyed, ten times over, in the crisis and the depression after the crisis.
 - 11) Actual value is not rewarded. A janitor or a garbageman or a teacher or a nurse or an assembly line worker or an engineer produces real value. If the CEO does not come in tomorrow, so what? If the janitor doesn't, everyone is complaining immediately. The people we call value creators today are mostly value extractors: their job is to squeeze hard, to monetize, not to create new products which are genuinely beneficial to the world, not to create workers who are well paid and thus able to provide demand, not to create better paying work, but worse paying work.
 - 12) If you need a job to survive, you are always at the mercy of people who provide jobs.
 - 13) The wage you are paid is based on the tightness of the labor market and how protected you are by government. It has virtually nothing to do with your personal skillset, except to the extent that skillset is in short supply. As programmers found out, corporations and government will do everything they can to make sure any specific labor shortage is reduced as quickly as possible.

- 14) You have power, as an ordinary individual, only if you act as a group and in solidarity. If you can be bribed to betray other ordinary people, they will play you off against each other.
- 15) Jobs aren't a good way to distribute surplus, but if that is how you do it, you will only get surplus in a tight labor market. Central banks, the rich, corporations and government today all work systematically to make sure that there is no tight labor market. If there is no tight labor market, you can and will be replaced. If you can be easily replaced, there is no reason to give you any extra money, even if you are producing more than you did in the past. It is for this reason that for over 30 years now NONE of the productivity gains have gone to ordinary workers on aggregate.
- 16) The economy must be completely electrified. Energy must be made, to the largest extent possible, a capital good, this is a specific instance of the next point:
- 17) Supply bottlenecks cannot be allowed. Ever. Whenever one starts to form, it must be broken. Failure to do so is why the post-war liberal order failed and was replaced with neo-liberalism.
- 18) You cannot use up sinks (like carbon storage in the atmosphere) faster than they can be regenerated. Period.
- 19) You cannot allow degradation of food or environment. These are major causes of the degenerative and chronic diseases which are epidemic in our society.
- 20) You cannot allow significant unproductive consumption to be a major part of your economy. Suburbia, for example, is essentially pure consumption. All bans on productive work, agriculture, etc.... in suburbia must be removed.
- 21) You cannot allow public goods, like education or health care, to be rationed based on ability to pay. Paying for schools through property taxes creates an education system which wastes the human potential of millions of people in an attempt to replicate class privilege. Ironically, the middle class is failing anyway, as the economic value of education has been destroyed.
- 22) The most important rule of all is this: your elites must experience the same life as

ordinary people. They must go to the same shitty schools (no private schools, no enriched schools, no Ivy League). They must fly on the same planes and go through the same security (they don't), they must use the same healthcare and stew in the same wards in the same rooms as the poorest of the citizens. They must eat the same food, rather than being able to buy high quality food the poor can't. If they don't experience what you experience, they will not care what is happening to you. And they don't. Why should they when they're the richest riches the world has ever known. The world is great, to the rich and powerful.

- 23) You have power to the degree you have solidarity, control your own government, and have the ability to support yourself without a job. If you cannot walk, if you have no ability to say "screw you", then you are a slave, the only question is who you are a slave to. The people we feel worst for today are the unemployed who can't even find a master.
- 24) People who actually create value must be allowed to keep enough of it. Right now they aren't. Google takes almost all the value created by the people who actually make the web, for example. Wal-Mart crushes its suppliers into the dust. A few key pipelines like App Stores, Amazon, and so on take almost all of the surplus value. Anyone who thinks 30% is a reasonable charge for an app store wants to see failure (this doesn't mean no taxation, proper taxation takes away unneeded surplus, not needed surplus.)
- 25) A regular rate of return of 5% is reasonable. A world in which you have to make 15% or 30%+ to be viable is a world in which most businesses are not viable, and in which millions sit idle with nothing to do because there is nothing to do that can make those sort of returns.
- 26) Returns of 15% or more can only be made through fraud, exploitation or oligopolistic practices. Bad or fraudulent profits drive out real profits and real value creation.
- 27) The network effect is not something which should be rewarded with a 30% commission. Neither is the railroad effect "nice product you got there, son, but it

- doesn't get to market if you don't pay us our vig.”
- 28) We can all be prosperous, but we can't all be rich. Having hundreds of billionaires is exactly why you haven't had a real raise in 30 years.
 - 29) Concentrations of wealth are used to protect that wealth and buy up the system. That is why they can't be allowed. The first thing someone does who wins the market, is buy the market, and that means buying the government.
 - 30) Government is either your worst enemy, or you best friend, depending on whether it is controlled by the public, by private interests or running rogue. But government is also the only major organization which can work for ordinary people. Every other organization has another purpose. As such, you must control government if you want prosperity.
 - 31) Government, under whatever name, is needed to do things we must do together for the greater good. When it does not exist, you get Somalia. Great cell phone service, but your daughters get pulled out shacks at 2 am and raped, or you buy your safety by submitting to an oppressive set of religious laws.
 - 32) You cannot have large standing armies and keep liberty. Period.
 - 33) You cannot give private entities the right to print money without extremely strict limits and not expect unreasonable concentration of money, which means power, which means the government gets bought out and you lose both your liberty and your freedom.
 - 34) Biodiversity is wealth, it is where the great biochemical advances and products of the future will come from. Every time we kill a species, we impoverish our future.
 - 35) We are going to require a transnational body with armed forces to enforce environmental controls.
 - 36) Fines no longer work to control economic activity, we will require outright criminal bans and tough enforcement to stop rapacious corporate behavior.
 - 37) If you must have the cheapest devices, you are requiring a woman in the Congo to be

raped and rivers in China to be polluted. Fixing this is not an individual action, it is a collective action problem, it can only be fixed by government and by terrible things like, oh "tariffs".

- 38) Free Trade is meaningless if you don't have full employment. It is a rounding error at best, harmful at worst.
- 39) Capital flows cannot be allowed to move faster than trade flows and really shouldn't be much faster than labor flows.
- 40) The functionless rich cannot be allowed to keep the money they have. Use it for actual new production, or lose it.
- 41) Inflation is not a bad thing below about 10% or so. There is no good evidence it reduces growth, and it does break up concentrations of wealth. We are terrified of inflation because we know our wages aren't rising faster than it is.
- 42) People who make a bad loan, should lose their money. There is no such thing as free money, and bondholders need to learn that. Concomitant, bankruptcy must be easy to get: economic cripples, unable to discharge debts are not in our economic interest. It is especially abhorrent that bankruptcy cannot discharge student loans.
- 43) An economy in which people are free to do what they love, free of fear of losing everything, is far more economically productive than one in which people are forced to do things they hate to make ends meet.
- 44) The right thing to do, ethically, is usually the right thing to do economically. Helping the distressed is good for the economy. Universal healthcare that doesn't give extra money to insurance companies is good for the economy. Believe it or not, not dumping pollution into air and not poisoning food... is good for the economy. Feeding the poor is... good for the economy.

If you're ever not sure what the right economic policy is, ask yourself what the kind thing to do is. You'll be right nine times out ten, and the remaining one time you'll still be doing something good.

Commentary on “Essential Insanity”

Intellectual realizations go in cycles. Long fallow periods are followed by harvests of understanding.

Late 2008 and early 2009 was the season of disillusionment for me. When I saw who Obama was picking to run his administration, it was clear he was going to just be another neoliberal, albeit with a friendlier face.

I was also disillusioned with my own record of electoral prediction. I kept assuming that Americans would realize they were in the stew pot, and do something about it. They kept choosing someone who wouldn't get them out of the stewpot. (A man who praises Reagan up and down is not the solution, which is one reason among others I never trusted Obama.)

So I had to sit down, and figure out why I was right about a lot of things, including other countries' politics, but not America's.

The word structural, when talking about politics, often suggests that decision makers don't have a lot of choice. That's not true, but the structure of our societies matters because it sorts and produces certain types of people. This is a theme we'll return to, in far more detail, but it began here, and I think readers will be well served by seeing that in this article.

Essential Insanity

Walk with me a while and imagine you are mad. Crazy. Insane. It's an interesting sort of insanity—you see the world as something other than it is. You are dead convinced that people are out to get you, but these people have almost no means to harm you and fear your retaliation greatly, because you're a powerful person and they are weak.

You believe that you are hale and hearty; but in fact you're ghastly, obese and ill. You think you're rich, but in fact you're poor. You think you have the best doctor around, but in fact your doctor is worse than almost every other doctor and charges 50 percent more than them. You think you're tough, and you certainly haven't let the fact that two ninety pound weaklings seem to be able to stand up to you get in the way of that.

You think that you have the most advanced technological toys, that what you have is the best, and once you did, but these days everyone else seems to have more advanced stuff.

The illness goes deeper though, a deep decay in your brain. The parts of your brain that make most of the decisions for your body think everything is wonderful. They seem only able to take in sensations from the taste buds these days, and for the last thirty years you've been on a rich diet. So they think everything's great. Your once lean body, packed with muscles, has been replaced by a flaccid one, paunchy and fat, but somehow the key parts of your brain don't know that. They don't feel your sore back, they don't hear the broken down breathing, and they don't see the gut hanging over your belt.

The you I'm referring to, as I'm sure many have figured out by now, is the US. For years, I've been writing for the US and observing it carefully, and I've found it one of the most interesting problems I've encountered in my life. Because America and Americans are very unpredictable. Now, of course, the first thing I thought was, "It's me," and in a sense, that's true.

But here's the thing: I have a very good record of predicting what will happen in

Somalia, or Afghanistan, or Iraq. And when I get it wrong, I can look back and easily figure out why. Yet, I've never visited any of those countries and, really, I know very little about them. On the other hand, I grew up imbibing American media, know American history well, have visited America a number of times and spent eight years in jobs that required me to deal with multiple Americans daily.

Odd. Very odd. And something I've discussed with other foreign observers of American society and politics.

The first clue to what was wrong came around the time of the Iraq war. It was obvious, dead obvious, to everyone outside of the US and to US citizens who were spending a lot of time parsing news, that the war was a joke and that Saddam had no nukes and was no threat to the US. Most Americans, however, didn't get that. The reason, of course, was propaganda.

Fair enough. Every country whips its citizens into war hysteria with propaganda. But what was truly remarkable wasn't that, it was that somehow the majority of Americans, over 70 percent, thought that Iraq was behind 9/11. Iraq, of course, had nothing to do with 9/11. Nothing.

Remarkable. Americans went along with going to war with Iraq then because they thought Iraq had attacked them and had nukes and could attack them again. A complete propaganda tissue of lies. But if you believe it all, well, of course Iraq needed to be attacked.

What looked to the rest of the world as crazy was entirely logical. It was, however, still insane. If I see a tentacled monster from the fourth dimension attack me and I respond by grabbing a knife and slashing apart my next door neighbor who's waving at me, well, I had a logical, coherent reason for what I did, but I still murdered him, and I'm still insane.

This is the first type of insanity in the US and it runs deep. I often feel like I spend more time correcting outright lies, outright propaganda, than anything else. Just this week I had to explain to a left-wing blogger (who should know better) [that single payer health insurance is cheaper and gives better results than private insurance system](#). Now in the US, this is somehow still in doubt, but that's insane—this isn't in question. Every other western nation that has single payer insurance spends about 1/3 less than the US and has as good health metrics or better either in most or all categories. This isn't something that's up in the

air, this isn't something that is unsettled. This is a bloody FACT.

Americans think they are the most technologically advanced society in the world, yet the US does not have the fastest broadband, the fastest trains, the best cellphones, the most advanced consumer electronics (go to Japan and you'll see what I mean) or the most advanced green energy technology.

In the primary season, Ron Paul was repeatedly cut out of media coverage and John Edwards was hardly covered. The majority of Americans thought that Edwards was running as the most right-wing of the Democratic candidates. Huckabee was constantly called a populist when his signature tax program would gut the middle class and slap the poor onto a fiscal rack.

And, when all is said and done, politicians are still running on slashing taxes and having that make up for itself, while the US runs a balance of payments higher than any other country post World War II has ever done without going into an economic crash.

That's one type of insanity—thinking the world is something that it isn't.

The second type is worse, in a sense. When [Diamond wrote his book on why societies collapse](#) he came to the conclusion that it occurred when elites weren't experiencing the same things as the majority of the society—when they were isolated from the problems and challenges the society was facing.

For 30 years, ordinary Americans haven't had a raise. And despite all the lies, Americans are beginning to get that.

But, for the people in charge, the last thirty years have been absolutely wonderful. Seriously, things haven't been this good since the 1890's and the 1920's. Everyone they know—their families, their mistresses and toy boys, their friends—is doing well. Wall Street paid even larger bonuses for 2007, the year they ran the ship into the shore, than they did in 2006 when their bonuses equaled the raises of 80 million Americans. Multiple CEOs walked away from companies they had bankrupted with golden parachutes in excess of 50 million. And if you can find a senator who isn't a millionaire, (except maybe Bernie Sanders) you let me know.

Life has been great. The fact that America is physically unhealthy, falling behind technologically, hemorrhaging good jobs, and that ordinary Americans are in debt up to

their eyebrows, haven't seen a raise in 30 years, and live in mortal fear of getting ill—because even if they have insurance, it doesn't cover the necessary care—means nothing to the decision-making part of America because it hasn't experienced it. America's elites are doing fine, thanks. All they can taste or remember is the caviar and champagne they swill to celebrate how wonderful they are and how much they deserve all the money federal policy has given them.

This is the second insanity of the US: The decision making apparatus in the US is disconnected from the results of their decisions. They make sure they get paid, that they're wealthy, and let the rest of society go to hell. In the end, of course, most of them will find that the money isn't theirs, and that what they've stolen is worth very little if the US has a real financial crisis.

The third insanity is simpler: It's the wealth effect. At the end of World War II, the US had about half the world's economy. Admittedly that's because Europe had been bombed into oblivion, but even when Europe rebuilt, the US was still far, far ahead. The US was insanely rich and powerful. See, when you're rich you can do stupid and unproductive things for a long time. There are plenty of examples of this but the two most obvious ones are the US military and the War on Drugs.

The War on Drugs hasn't reduced the number of junkies or drugs on the. It has increased the US's prison population to the highest per capita level in the world, however. It has cost hundreds of billions of dollars. It has gutted civil liberties (the War on Terror is just the War on Drugs on crack, after all). And after 30 years, does anyone seriously say, "Wait, this doesn't work, it costs billions of dollars and it makes us a society of prisons?" Of course not, if anything people compete to be "tough on crime." What's the definition of insanity, again? Doing the same thing, over and over again, and expecting different results?

Then there's the US military. It costs, oh, about as much as everyone else in the world's military combined. It seems to be at best in a stalemate and probably losing two wars against a bunch of rabble whose total budgets probably wouldn't equal a tenth of one percent of a US appropriations bill. And it is justified as "defending" America even though there is no nation in the entire world which could invade the US if the US had one tenth the military.

But the US could (not can, they are now unaffordable, but could) afford to have a big shiny military and lots of prisons, so it does. Lots of people get rich off of both of them, lots of rural whites get to lock up urban blacks and lots of communities that wouldn't exist otherwise get to survive courtesy of the unneeded military bases and prisons which should never have been built.

Insane—believing things that aren't true.

Insane—decision makers are cut off from the consequences of their decisions and in fact are getting reverse feedback, as things get worse for most Americans and as America gets weaker and poorer, they are the richest they've ever been.

Insane—so rich that no one will stop doing things that clearly don't work and are harmful, because people are making money off the insanity.

All of this is what makes predicting the US so surreal. It's not just about knowing what the facts are and then thinking "Okay, how would people respond to that?" You have to know what the facts are, what the population thinks the facts are, what the elites think the facts are, who's making money off of it, and then ask yourself if these facts are having any real effect on the elites and if that effect is enough to outweigh the money they're making off of failure (how many of them have children serving in Iraq? Right, not urgent to fix).

And then you have to go back to the facts and ask yourself, "What effect will these have even if they're being ignored?"

All of which makes the US damn near impenetrable, often enough even to Americans.

But here's what I do know—you can get away with being nuts as long as enough people are benefiting from you being insane. When the credit cards are all maxed out, when the relatives have stolen even the furniture, suddenly all the enablers go away, and the knee breakers or the men in white pay you a visit. At that point, you can live in the real world, or you can go to the asylum.

I wonder which way the US will go?

Commentary on "The Kindergarten Ethics We Need"

If there's a linchpin post to this collection, it's probably this one. The article is slightly inaccurate: The layers of my understanding of the problem actually ran from "policy", to "ethics and morality", then to "ideology and identity." It is from ideology and identity that we receive our ideas of ethics and morality, and our understanding of the world, and thus form our decisions about what to do.

But the problem is definitely hard: It is about who we are at the deepest levels of our personalities. We choose to do evil and to not stop evil acts, because we genuinely believe in certain ways of doing things. (As usual, "we" may not include you, but it certainly includes most of us.)

What is needed is to drop the top and middle level parts of our ideology and start again from the basics, rebuilding our personalities, ideologies and ethics from very simple, and sound first principles. Principles which don't include nonsense like "greed is good" or "killing is ok if the government says it is ok."

The Kindergarten Ethics We Need

When I first started blogging, some 13 years ago, I blogged about sophisticated matters. Economic theory, military theory and practice. Lots and lots of charts.

As time went by, I noticed that these posts, even when they did well, were not what my readers needed. Most of my readers were not at the level of maturity and reasoning that allowed sophisticated policy posts to be useful to them.

Their problems were deeper; they were ethical and moral problems. My readers seemed unable to reason from first principles, they did not understand the relation of ethics to politics and politics to economics. The first principles they *did* have were axioms whose results, if too many people followed them, would create widespread suffering.

They had grown up crooked. Their adult lives had made them more crooked. They did not think, they engaged their prejudices.

There is no point in sophisticated analysis of how to be kind to large numbers, if people prefer something over kindness.

As a result, I started descending the ladder of reasoning. I found that I had to explain that [killing civilians was worse than killing soldiers](#), and that [killing less people was preferable to killing more people](#). I had to explain [the difference between ethics and morality](#). I had to explain [why and how they had grown up twisted](#).

I found myself trying to teach, in effect, versions of the Golden Rule. That which is hateful to you, do not do to your neighbor, do unto others as you would have them do unto you. Be kind. [Kindness is the best policy](#).

I came to understand that the sages, from [Confucius](#) to Buddha to Hillel to Jesus, taught these rules—these simple rules—because they met people where they were. This is the level of teaching people require. Most, I fear, are not capable of learning even this, not innately, but because they have been twisted by their upbringing.

If you want some econo-speak, variations of the Golden Rule produce strong positive externalities and when enough people in a society use the Golden Rule and unite to take away the ability of predators to do harm, that society prospers.

The Ancient Greek version is as follows:

When old men plant trees in whose shade they will never sit, a society is great.

All economic theories are ethical theories. They are theories about how one OUGHT to act. Under capitalism, one should react to profit and price signals, and seek to maximize personal "utility," for example, while living in a manner which deprives one of the ability to meet one's own needs.

This is an ethical theory. It is not scientific, it is based on axioms which can't be proved, and which are highly questionable (people aren't rational, don't maximize utility, and I've yet to encounter a useful definition of "utility" which isn't circular).

It is about HOW people should live.

As such, economics is also a political theory. Capitalism requires a great deal of executive and legislative work to set up, starting with depriving most people of capital. You probably don't believe me, because you were never taught history properly, but this is well understood by sociologists who study capitalism. Start by reading Karl Polanyi's "The Great Transformation." This process happened both at home, and in great waves of imperialism which disrupted and impoverished much of the world.

All political theories are ethical theories. People OUGHT to have rights and those rights are inalienable. Legitimacy comes from the people's consent, or it comes from God. A person who gets there first owns what was there. We should be able to own more than we can use. We should obtain the goods required for our survival from the market (not true for most of history.) A man or corporation who files a patent or copyright should have exclusive use of that creation. Corporations should shield their owners from liability.

These are prescriptive statements. They are ethical propositions about how the world *should* run.

All politics and economics, boiled down, is either OUGHTS, technical details about how to get to those oughts, or moralizing about why these oughts and means are good, and why other systems' oughts and means are bad.

What we have today in the West is a mishmash of systems, with neo-liberal capitalism and representative democracy as the foremost. Some areas have technocratic bureaucracy as their foremost value, like the EU and Singapore.

You can throw in words like “enlightenment values” and “humanism” as well.

It's hard to disentangle all this. So many different ideologies have been created and so many of them still have strong influence on us.

So I'm going to simplify. Cut through the knot.

Greed, selfishness, and pride, combined with tribal identity.

You love your child, yes? You would let a hundred people die to save your child?

You are a monster.

Most other people would.

They are monsters.

You would kill for your group. They would kill for their group. Your group may be a religion, a nation, an ethnicity, a neighborhood, or a wide variety of other associations or identities.

You are a monster.

You work to make sure your child has a “competitive advantage” over other children. Those parents work to make sure their child has a “competitive advantage over your child.”

You are monsters.

In every way, your needs and wants are more important than anyone else's. Then your family's. Then your friends.

This worked when humans lived in bands or even smaller tribal societies. This included almost everyone, and it allowed an easy apportionment of work. “Feed yourself and your family then everyone else.” (Though, in fact, the nuclear family wasn't usually prioritized in hunter-gatherer bands.)

It *sort of* worked in agricultural societies, but only sort of. Which is why you have the above sages with their various golden rule variants.

It doesn't work in the modern world. The interconnections are too dense. You affect too many other people. Societies have too much violent and coercive power.

The sheer volume of negative externalities created by a culture of “me first” and of meanness overwhelm the positive externalities, creating vast hell-zones. It doesn't matter whether we're talking about most of Sub-Saharan Africa, Bangladesh, most of India, all the Chinese who hate the new economy and loved their villages, the inner cities of America, or the exurban wastelands, or the hopeless neighborhoods in London or Paris which occasionally riot.

They are all overwhelmed by this “me first, my family second, my friends next, my identity only after all that, and fuck everyone different.”

It is impossible to overstate the damage “me first” has done to the world. It includes all the damage that will be done by climate change, imperialism, and vast amounts more.

To be sure, the so-called altruists have done great harm. But when you liquidate entire chunks of the population, you aren't an altruist in fact, only in rhetoric. Just as capitalism, properly understood, has not proved to be the best system for most people in the world.

I'm going to tell a slightly perverse story. When I was a child, I read a science fiction military story which was half fantasy. The protagonist has a vision in which he bombs a city from orbit, and sees that his child is in that city.

The protagonist is determined to avoid that war if possible, but he is not determined not to bomb his own child. He says, “Were I to decide whether or not to bomb a city based on whether my own child was there, I would be a monster indeed.”

So let us come down to our first axiom:

Your life is not worth more than anyone else's. Your pain does not hurt worse than anyone else's.

Some time back there was a book called [All I Really Need to Know I Learned in Kindergarten](#).

This is kindergarten level ethics we are dealing with here. This is what is broken—the stuff you should have learned when you were five and had reinforced as you grew up.

- Don't hurt other people.
- Share your toys.
- Don't take more than your share.

And if someone doesn't live by those rules, what do you do? You give them a time out. During that time out, you don't torture them, you don't allow the other kids in time-out to beat them or rape them. Instead you try to help them so that after the time-out, they won't do it again.

Perhaps everyone in the world should just sit down and for one day, heck, one hour, just not hurt anyone else. Just do nothing.

You can get rich, you can get famous, you can get what you want by being a mean and violent bastard. Let us not pretend otherwise. But the knock-on effects of doing that, for everyone else, are terrible. True democracy will happen when the population is ethical enough, and willing enough, to simply not allow this. "No, no, off to your time-out you go."

This will be sneered at as Utopian. No doubt it is. But this is the Pole Star, the guiding light you aim towards. The closer you sail to it, the closer you come to some semblance of a world worth living in for the majority of people.

If we do not aim for this, we may solve some temporary problems for a temporary period, but there will be no remotely stable good society.

Everyone's life has equal value to yours. Everyone's pain is equal to yours.

Commentary on
“What the Tao Teaches Us About the Good Society's Devolution to the Bad”

In a sense, this is another version of the Kindergarten Ethics post.

I've included it because it deals with the ladder of stages of a good society becoming a bad one, or a bad society becoming a good one. You can climb up the ladder, which we need to do, or you can jump off the ladder, which we seem to have done.

One disheartening event was reading in comments that many readers didn't believe that most Americans (and perhaps anybody) were even at the rung on the ladder of kindness.

I hope they're wrong, I fear they're not. Make your own judgment.

But also, when you read this, think about how to move back up the ladder. Think about the mechanics of it, for individuals, groups and societies. Because this isn't just a descriptive piece, it includes prescriptions, for those who can see them.

What the Tao Teaches Us About the Good Society's Devolution to the Bad

In the Tao Te Ching there is a famous passage, as follows:

When a truly kind man does something, he leaves nothing undone.

When a just man does something, he leaves a great deal to be done.

When a disciplinarian does something and no one responds,

He rolls up his sleeves in an attempt to enforce order

Therefore when Tao is lost, there is goodness.

When goodness is lost, there is kindness.

When kindness is lost, there is justice.

When justice is lost, there is ritual.

Now ritual is the husk of faith and loyalty, the beginning of confusion.

The idea that when one is in the Tao nothing is done causes a lot of confusion. This is a psychological / physical state, where there is no feeling of effort. One takes the actions appropriate to the circumstance without any sense of doing anything, even though things are still done. Because this is a very clear mental state, what is appropriate tends to be obvious.

The key word, for social ethics, however is "appropriate." What is appropriate isn't always what is good, but what is good makes up the vast majority of what is appropriate.

When one no longer knows what is appropriate, one devolves to the good and is still doing most of what should be done.

Kindness makes up most of what is good, so when one loses what is good, one

devolves to kindness and retains most of what is good.

Losing kindness, one retreats to justice. The loss here is steep. Justice is maybe half of what is kind, because justice without kindness is about balance and tends to not restore people, but punish them: “an eye for an eye” and all that.

And then there is ritual, and ritual, in this context, is without any of the higher virtues, and thus leads to injustice, cruelty and evil, because it has lost almost all of appropriateness: it simply accepts that action A should lead to action B, and that will often be the wrong action, unguided by appropriateness, goodness, kindness or even justice.

I would add that when even ritual is lost; when people no longer obey the rules and are guided by no sense of ethics, that all chances of a good society and good results are lost.

Regular readers will know that I tend to emphasize [kindness as a golden rule](#). I think it's the highest guiding star the vast majority of people in our society can use: most people still know how to act kind, they just don't do it and they have *many* justifications for not doing so. But they do know what it is, with exceptions like warped market disciples, libertarians, and so on, who are so identified with ritual ideologies (market outcomes are just) that they cannot see when they are not even that.

The reform of society comes through the proper use of ritual, ironically. You work your way back up. Ritual done right attaches appropriate emotions to appropriate circumstances to appropriate objects of attention, and once that is the case, one can climb back up the ladder. Indeed, done right, one can jump past justice back to kindness.

But only when done right. Ritual is an obsidian knife: It cuts everything and it's dangerous, and it's only a useful tool when both made and used just right. Only someone operating at a level higher than ritual can design rituals which will do more good than harm.

In the meantime, unless you've been deformed by the wrong ideology, you probably still understand kindness. I suggest living there. It's also a rather nice place to live.

Commentary on “A New Ideology”

This is another core article, and without it you won't understand the mature thrust of my thinking.

One important part of this piece is that we have ideological beliefs that aren't ours, that we think are ours, but which are very harmful to us. They are chains, yet we identify with them so much that they are often core to our personalities. Because we define them as part of ourselves, they are almost impossible to change except in catastrophic circumstances. But waiting till your beliefs cause a catastrophe is, well, catastrophically stupid.

The other point here is that ideology is often beneath ethics and morality in the layer cake of reality creation. Morality and ethics arise, in part, from ideology. It is why we are so confused. When a man says "greed is good", but also believes in, say equality or that everyone should have a good life (or even claims to believe in Christianity or Islam or the American Constitution), that man has an ideological system that works directly against what they think their morality and ethics are, that belief in greed coming from another ideology.

No society or person functions without ideologies. Ideology isn't a swear word; it's the substructure of how we understand the world and decide what to do. Ideology is probably the most important creator of our social reality, with only identification coming close, and ideology creates much of our physical reality.

But a bad ideology, or even a good ideology which you don't understand, that will make your world hell faster than almost anything else.

Want to change the world? Change the ideologies.

A New Ideology

There is no reality that is not mediated by perception. This is not to say that there is no reality; the famous “I refute you thus,” kicking a rock, applies. It does not mean there are no natural laws, no physics, chemistry, or even truth—or Truth. It means that we decide what reality means through a thick lens of belief. This lens picks out what is important, obscures the unimportant, and distorts *everything*, and most people are hardly even aware that it exists.

Keynes once wrote that most politicians are slaves of some defunct economist, generally whose name they don't even know. That we should regulate the world through markets is an idea which would have been absurd to virtually everyone three hundred years ago, even as the divine right of Kings is absurd to us today. That corporations should shield their owners from liability is an idea which was bitterly opposed by most capitalists two hundred years ago. That greed leads to better outcomes was laughable to virtually everyone, including Adam Smith, who thought it worked only in very specific circumstances and lamented that tradespeople were constantly in conspiracy against the public.

That goods, including food, should be primarily divided based on market success is another idea that most of the world, for most of history, has never held.

What is oddest about our modern ideology is the same thing that is odd about virtually all ideologies: It contradicts itself. We do not have either free or competitive markets, and not one in a hundred free market ideologues could define a competitive market, nor would they want one if they could, as an actual competitive market reduces profits to nearly nothing. Free markets cannot exist without government coercion, yet we have come to assume that it is government which makes markets unfree, which is a half-truth at best. It's markets that make governments unfree when they buy government—and the first thing any good capitalist does upon winning a market is try to eliminate the free

market, since an actual free market threatens a monopolist or oligopolist.

An ideology tells us what is thinkable and what is unthinkable, what is moral or immoral, ethical or unethical. Right or wrong. It either says that 90 percent taxation is right and good when imposed upon great wealth, or an unthinkable burden on “value” creators. It further defines value, for instance, privileging financial innovation which actually destroys genuine good production. It says that food that makes us sick is acceptable and that banning such food is unethical. It says that it is right and proper that men and women meet their needs by working for other people, without any ability to meet their own needs if the market deems them surplus beyond private or public charity. It says that land that lies fallow is not available for anyone to grow food, that pumping poison into water and food and air is acceptable, that rationing health care by who has the most money is the best way to organize health care. Or, it *could* say that healthcare is too important to allow people to buy their way to the front of the line.

People think that their individual decisions matter, but so much of what happens is dictated by social contexts. A man goes to war, or not, and that has little to do with him personally. A college student has a huge debt and that is because she is a Millennial, not a Baby Boomer. A generation has fantastic success, but that is because they are the GI Generation in America. These circumstances are not the results of individual decisions, even if it feels like it. Born 30 years earlier, the exact same people would have stagnated on farms. A generation raised in affluence undoes all the protections put on the economy by those who experienced the Great Depression, because they think they know better, really, and they never experienced the Great Depression or the Roaring '20s.

One of the most important books of the past 200 years was a pamphlet, *The Communist Manifesto*. You should read it. Virtually every demand in the Communist Manifesto has been met by Western Democracies. Conservatives like Otto Van Bismarck looked at it and said, “Oh, you want pensions? We can give you that if it means you don't rebel and cut our heads off.”

A credible opposing ideology, a credible existential threat to the reigning ideology, creates a reaction. That reaction can be, well, reactionary, but it tends to blend towards that ideology. When the main ideological and material competition to Western Capitalist

Democracy is a nasty form of Islam and Chinese Totalitarian State-run crony capitalism, that leads nowhere good, not least because they aren't credible threats (no, Islamism is not going to conquer Europe, Japan, North America, or South America, sorry).

But an ideology organizes things. The Assyrians, the Babylonians, the Akkadians, the ancient Egyptians, if they wanted to do something, set up a new religion, with a new God. They were quite brazen about creating Gods, really. They ran the banks out of the churches, and indeed, ran some truly terrible usury, with interest rates as high as thirty to forty percent (which is why debt holidays were instituted, it didn't take long before people owed more grain or silver than existed in the entire universe, with rates like that).

When we want to do something, we fiddle with market design, with little incentives here or there. We make bureaucratic rules, create new laws, set up secret courts and bureaucracies to run them, make small adjustments here or there to make sure things work out as we want. A little tax here or there, a subsidy here or there, a patent or IP law change, a law requiring millions of dollars before one can set up a bank, laws allowing corporations to monetize public research by universities, and all the right people make money and the wrong people don't, and all is good in the world.

The fundamental idea of our current regime is one that most people have forgotten, because it is associated with Marx, and one must not even talk about the things Marx got right, because the USSR went bad. The fundamental idea to which I refer is that we are wage laborers. We work for other people, we don't control the means of production. Absent a job, we live in poverty. Sure, there are some exceptions, but they are exceptions. We are impelled, as it were, by Marx's whip of hunger. It took a lot of work to set up this system, as Polyani notes in his book *The Great Transformation*, but now that it has happened, it is invisible to us.

A new ideology that leads to prosperity should insist on changing this relation to the means of production. This doesn't mean a Marxist proletarian "communist" paradise, but it does mean giving ordinary people back real economic power, which means the real ability to say "no" to wage labor, and freedom from needing to take the next job that comes along regardless of what it is. Not only will this lead to a different, much more fair division of goods created by society, it will lead to much better treatment of wage labor workers. The

experience of the dotcom boom should be instructive in this regard: When you can walk out because you don't need this job and it isn't clear you can be replaced, bosses suddenly start treating you very, very well indeed.

I'll talk about what that ideology looks like and what that society looks like, at a later date, certainly in my non-fiction book. It will be, not a consumer society, but a producer one, in which most people feel that they can make things, feel that they can provide for much of their own needs. Though many people sneer at the idea that technology matters, in actual fact, technological change makes possible new modes of production, along with new social arrangements. The assembly line and factory imply a type of social arrangement, the heavy plow implies a type of social arrangement, hunter-gatherer implies yet another. Within each of these technological tool kits, however, there are choices: Some hunter-gather bands are the sweetest, most kind, peaceful people you could ever want to meet. Others are high practitioners of torture and head-hunting. Central planning of the Soviet variety and industrial democracy of early to mid-twentieth century America are both within the possibilities of industrialization. Radios were originally used much like the early internet till the government used the excuse of the Titanic sinking to seize the airwaves from the early pioneers and sell them to large companies.

There are, ultimately, two dominant strategies: cooperate or compete. If you want widespread prosperity, the dominant strategy in your ideology must be cooperation, though competition has its place. And ultimately the difference between the right and the left is this: The right thinks you get more out of people by treating them badly, the left thinks you get more out of people by treating them well.

An ideology that believes in treating people well is a lot better to live under. And as a bonus, happy people are a lot more fun to be around. And societies with that ideology, all other things being equal, will tend to out-compete those who believe that fear, misery, and the whip are the best way to motivate people.

Finally, an ideology that succeeds is always universalist. It asserts, for example, that all people have certain rights and does not admit exceptions. This may bother the relativists, but a powerful ideology admits no doubt on core ethical concerns: Democracy is how everyone should rule themselves, no exceptions, or, everyone has a right to a trial and

to see the evidence against them, or, anyone who doesn't worship the True God is going to hell.

A powerful ideology is a scary thing. If your ideology isn't strong enough, doesn't create fervent enough belief that people are willing to die for it, then it won't change the world. But if it *does* create that level of fervent belief, then it will be misused. The question is simple: Will this do more harm than good?

An ideology which leads to us killing a billion or more people with climate change, allow me to posit, is a bad ideology. At the end of its run, neoliberalism will kill more people than Marxist-Leninism did, and our grandchildren will consider it monstrous. Most of them will be no more able to understand how or why we submitted to it (or even believed in it) than we can understand how Hitler or Stalin or Pol Pot or Mao came to power. Hyperbole? Not in the least, because the body count is going to be phenomenal.

When faced, then, with a monstrous ideology, our duty is to come up with a better one, an opposing one. Because ideology determines what we do. It is both the lens through which we see the world, and the motor that pushes us forward.\

**Commentary on
“How to Create a Viable Ideology”**

I was unsure whether to include this article but decided "it must be there," because raw power realities need to be understood. Ideological combat is a blood sport. Christianity may have survived Roman pogroms to become one of the two ruling ideologies of Europe for over a millennium, but many other religions were wiped out completely by the Romans.

The other important point, which I'll emphasize again, is that whether an ideology or technological regime or government is good to live under has little (not nothing, but little) to do with whether or not it survives or becomes dominant.

The Romans had a form of gladiatorial combat where they shoved everyone into the ring, and only one person could win.

Ideological combat is very similar. Treat it as such.

How to Create a Viable Ideology

The most important question about any ideology or social structure are: “Does it win?” and “Can it defend itself?”

Hunter-gathering, if the land-capacity isn't close to carrying capacity, is usually a pretty good way to live. What we see in the archaeological record is that when the land gets close to carrying capacity, there is ton of violence, the number one cause of death of adult males becomes violence. Enough below the carrying capacity and there is very little violence. This is a generalization, there are exceptions, but the data seem to indicate it is generally true.

Hunter-gatherers are, generally speaking, healthier than agriculturalists and pastoralists. They live longer, suffer less from disease, are taller, the women have wider hips and suffer less from childbirth, they have better dentition and so on. The societies, again with some exceptions, are more egalitarian than most agricultural societies (though very early agricultural societies are more egalitarian than late hunter-gatherer societies, again, in general). They also have vastly more free time than agriculturalists.

Basically, being a hunter-gatherer is about as good as it gets for most of human existence. There are some better agricultural societies to live in for brief periods (certain periods of Roman history, say) but they are rare. Industrial society produces better medicine and goods, but we work harder and have vastly more chronic disease even at the same age, and industrial society includes, as its concomitant, things like the widespread rape in the Congo and African poverty—that's a requirement of our society, it's not incidental.

But hunter-gatherers lose confrontations with pastoralists and agricultural societies. It's a great way to live, but more dense societies were better at violence, so hunter-gatherers were forced to the margins.

Whatever your society is like, it has to be able to win confrontations. However your

ideology organizes your society, even if that ideology produces a much more enjoyable society in which to live than your competitors, it must be able to persist in either the long or short term against its competitors. Otherwise, you've got a problem.

Time-scale matters. An ideology that produces a society that lasts for 150 years of pretty wonderful life then loses to someone better at violence might look pretty damn good to most of us.

An ideology may also have internal contradictions which doom it. The Soviet form of Marxist-Leninism was vastly successful in its early years, something we forget now. During the Great Depression, the USSR was doing far better than most of the rest of the world (except the fascist bits). The USSR is the only country larger than a city state to industrialize using anything but mercantilism. I am aware of no other exceptions.

But the USSR's control mechanism could not deal with the information problem. It worked gangbusters at first, but then parties formed who were able to control information flow to the central planners, doomed it. Mancur Olson, in his book *Power and Prosperity*, deals well with both the rise of the USSR and its fall.

Neo-liberalism has amongst its internal contradictions the complete inability to manage climate change. This contradiction comes from its insistence on short term interest and its refusal to deal properly with public goods. To neo-liberalism, the future exists only at the point a market starts discounting that future. Unfortunately for the world, markets suck at recognizing the future beyond a few years out, and by the time a market notices, the key decision points for heading off an undesirable future may well be long past.

(Neo-liberalism also has a pile of other internal contradictions, but this isn't an article on neo-liberalism, so we'll pass them by for now.)

Within an ideology are prescriptions for internal vs. external power relations. So a society must be able to win its fights with outside societies running different ideologies, but it also includes prescriptions for how power is divided internally. In the European Middle Ages, most of Europe was ruled by rapacious nobles, but the Swiss Cantons had male suffrage. This was based on the fact that Swiss Pike men could beat the pants off feudal noble cavalry. But the requirement for Swiss Pike men was economically prosperous men who could and would fight, not starved peasants. And men who could fight, and had to fight together, insisted on having power. There is a direct analogy between this and classical

Greek Democracy (made up exactly of the fighting population), and the Roman Republican period, where citizenry is divided into three classes, based in part on how they fought (the Equestrian class, above the Plebes, could afford to fight on horseback.)

Power comes in a number of flavors. You have violence. You have productive capacity. You have consumptive ability. You have social ties. You have ideological production. The more of each of these any group has, the more power they have. The more power they have, the more of the surplus production of their society (or, in many cases, the non-surplus production) they are able to control. If you want prosperity, you want power spread as evenly throughout your society as possible. You never want complete equality in outcome, because you do want some competition, it helps drive society forward, but right now our problem is the exact opposite: too much concentration of power, too little equality.

Each of those groups, and they will exist, will compete against each other. Different people have different interests. If one group or a coalition of groups gains more power, they will also gain more of the productive surplus. Part of an ideology's job is to make it so that, as much as possible, everyone's interests in society are similar.

John F. Kennedy once said "a rising tide lifts all boats." People took that as a descriptive statement, but in a society it is not, it is a prescriptive statement: if you want any increases in production to go to everyone, you have to make that happen, and to make it happen you have to believe it should happen. But the step before that is making sure that power is divided relatively evenly through society, so that it does happen. But, again, that is an ideological choice: many people don't believe that everyone should have relatively equal power.

To have relatively equal power you cannot allow the means of production or violence to be overly concentrated. Jefferson was making a profoundly practical statement when he warned that banks and standing armies were dangerous to a republic and democracy. Banks allow people to print money, those who print money make money, it gives them a powerful advantage over people who cannot do so. Those who control violence: well, I'm sure I don't have to make that point.

It is for this reason, for example, that I believe everyone (male or female) should have military training. It is not an accident that Switzerland, where every male has an assault rifle and military training, has such a high standard of living or voted on whether to

have a guaranteed annual income. It is also why I believe in cadre armies and that no large standing armies should exist. (The solution for money creation is more complicated, and I'll go into it at a later date.)

If you want a society, then, which is prosperous and egalitarian, with the proceeds of increased production going to everyone and not just a few, you must have an internal structure of power which gives ordinary people quite a bit, makes concentration of power in private hands difficult, makes the government unable to use too much power against its own citizenry while (and this is the important bit) still being able to defend itself externally, and able to resist internal putsches. Egalitarian societies which cannot defend themselves get overwhelmed by hierarchical societies which are better at violence.

This extends to monetary matters. If outsiders with money can buy up your society and upset your internal political and productive relationships because they are more efficient, or just bigger, or have their capital more concentrated, if you will let them buy you up because some part of your society wants to cash out, then whatever internal relationships you have are vulnerable. This has happened to vast swathes of the third world, where Westerners come in and buy out traditional relationships. NAFTA pushed millions of Mexicans off their farms, made Mexico weaker because those people now needed to pay for food (often foreign, and also less nutritious), and made Mexico, objectively, worse off than before NAFTA. But some Mexicans got very rich by selling out.

This is a particular problem for smaller groups trying to create societies within larger societies. If you can be bought out, if some of you want to sell, take the money and run, you are not viable. Quakers and so on have an ideology which doesn't allow for selling out this way, thus they are viable in the long-term, whatever one thinks of them.

So, an ideology, a belief system, among other things, tells you what is and isn't legitimate to sell for money. A stable system says you can't buy key parts of the social structure. In a functioning democracy, anything that comes even close to buying a vote, for example, is verboten. When we moved from late Feudalism to early industrialization, feudal rights were done away with—including the commons. Enclosure of land took away rights from people who had them before and gave those rights to other people. Serfs, for all we sneer at them, had rights. Those rights were taken away. The ex-serfs who flooded into early industrial cities after enclosure lived far worse lives than they had under late

feudalism (this is WELL established). They lived shorter, unhealthier lives, worked harder to earn money which left them living in worse circumstances than when they were back on the land.

So when you're creating a new ideology, or modifying an old one, you have to consider these points: the relation to the means of production, the ability to generate violence in defense or offense and the effectiveness of that violence, the question of whether the system can be capsized by money or if the key parts of the system are off-limits (due to irrational attachment, absolutely it must be irrational) to capsizing through money or equivalents. If you want an egalitarian prosperous society is power objectively divided up so that the masses have the ability defend their share of surplus production? How will those who do get a little extra (and they will always exist) or who control a little extra, try to capsize that system and seize more? What are the protections against what they will try and are those protections based on strong, irrational beliefs and backed up by a willingness to employ violence? (If you aren't, and they are, you will lose. Period.)

Note, finally, the use of the word irrational. We think of irrationality as bad, but rational decision making leads to betrayal. If someone's going to offer me more than I can otherwise earn to betray the rest of my people, a lot of folks are going to take that deal unless they have the irrational belief that it's wrong, and a rational belief that if they do it, those who have an irrational belief in the system will hurt them, or even kill them.

This is ideology. Any ideological system that doesn't produce people willing to die and kill for it, will lose to an ideology that does. The question is not whether violence is permitted, the question is when it is permitted. Most of us want to live in a peaceful society; I certainly do. But that peace is always and everywhere under-girded by rules about when to commit violence, a willingness to do so and an ability do it well. Societies and ideologies that do not do violence well exist at the sufferance of those who do, and live under the conditions and in the places that those good at violence permit. Generally very bad conditions.

Commentary on
“How Our Everyday Life Creates Our Character and Our Destiny”

A great issue preventing us from understanding our problems fixing them, is our urge to pardon ourselves, and blame others. It is natural for most of us to not blame ourselves, after all we have less power than the great corporate leaders or politicians or civil servants. It makes sense to say, "it's them, not us," when it's partially true.

But our power is exactly equal to our responsibility. If we declaim all responsibility, we also declaim all power. And, in most democracies, even ones which are run as oligarchies (which the US indisputably is), the consent of the governed is still needed. We still have power.

Unfortunately, we have been trained, virtually since birth, to be powerless. To be, forgive what may seem like hyperbole, slaves in all but name.

This isn't our fault, they got us when we were young, they told us that our conditioning to be slaves was for our own benefit, and we believed it, because we were young.

We were wrong.

How Our Everyday Life Creates Our Character and Our Destiny

We are what we do. What we experience during our daily lives creates our habits, both of action and thought and those habitual actions and thoughts are our character. The character of men and women, and the shared character of a society is destiny. It determines how we respond to what happens, it is as close to fate as exists in a world awash in choice, where we make the choices we are expected to.

The defining characteristic of growing up in the modern world is school. In school, we are taught to sit still, speak only when we are allowed to by an authority figure, and do meaningless work that is not suited to us. For the bright kids, school is stultifying. They sit there, bored out of their skulls by how slowly the class proceeds. For the active child, school is stultifying boring because they are told to sit on their butt for most of the day, when they'd rather be doing something physical. For the creative child (which is all children, till they have it schooled out of them), school is, yes, stultifying boring, as it is all doing what someone else tells you to.

Outside of class, school is about nasty peer pressure and fitting in. Even if you aren't a loser or a loner, even if you belong to a clique, you quickly understand what happens to someone who doesn't fit in, who doesn't do whatever it takes to belong to an in-group. Our society is rife with comments about how something is "high school all over again," and we don't mean anything good by that, we mean a horrible game of cool kids and jocks and geeks and fitting in or getting ostracized at best, or possibly beaten down, or worse for the truly unlucky.

By the time we get out of school, most of us have been trained to do what authority figures tell us, had the creativity taken out of us, lost all real intellectual curiosity (because intellectual pursuits are associated with the horrors of school), learned that nothing is more important than fitting in and that popularity matters more than virtually everything

else. We have come to accept that we don't make choices except those on offer to us: "You may write an essay from the following list of topics/you may select from the following list of electives."

Our adult life is little different. We have some more choices, but most of us will work for someone else, and that someone else will tell us what to do, how to do it, where to do it (at their workplace), and when to do it. Our consumer existence, in which we appear to have choices, mostly involves choices between Brands X, Y, and Z, and the choice between brands is almost always completely minor: The differences are not substantial. More importantly, again, we choose from choices offered us, we do not create our own choices.

This issue has arisen since most people have entered formal schooling as children and since people have moved into wage labor. Before the late 19th century, you did not see this type of conditioning (though they had their types) in the majority of the population. Mandatory regimented schooling, and wage labor, in which we do not decide what we do with our time, has made things very different from the previous society.

One of my uncles lived in, let's call it, the pre-industrialization lifestyle. He was a farmer and a fisherman (and hunted on the side, for food for his plate). He had huge lists of work to do, but he chose when to do it and how to do it. He controlled his own life. This is how free farmers and artisans used to live. In the day-to-day detail of their lives, believe it or not, even many peasants had more freedom than most industrial and post-industrial workers do.

This has grown worse over the last three decades.

Free play time, as a child, was when we used to have choice. As a child, outside of school, I had to be home for meals and bedtime, otherwise I was my own boy. I had very few toys, and I and my friends made our games of make-believe. I created the rules to my own games, made my own pieces, and played them. I ran wild through the neighborhood, living a hundred different imaginary lives from books and movies, but also ones I made up myself. My parents did not try to control the details of my life beyond making sure I got to school and got fed, so long as I didn't cause (too much) trouble.

Oh, it was still a regimented life, but it was a much less regimented life than today's helicopter children experience. The conformity of that late industrial society, oddly, was less

than the conformity pushed on children for the last couple decades by their own parents.

The workforce has in some respects also become worse. The sort of micro-control that is commonplace in Amazon warehouses, with a supervisor electronically watching you every second, was almost impossible in the past. The sort of micro-measurement of productivity was also impossible in most jobs, though certainly, assembly lines were hell. In most jobs, your boss had to give you the work and check in later to see if it was done and how well. As long as it got done, you were fine.

Again, to be sure, there were micro-supervised jobs even then, but technology has made it possible to micro-supervise the sort of work which simply could not be supervised then.

And when you left work, there were no cell phones, no pagers, no laptops. For the vast majority of workers, once they left work, work was done for the day. They were not, for all intents and purposes, on call 24-7.

High surveillance societies produce conformity, because we are what we do. What we do forms our habits, our habits form our character. If you are constantly under your boss's thumb, you learn to act reflexively in ways that will satisfy your boss. Of course, we all rebel where we can, but the margins for rebellion are growing smaller and smaller.

We have created a society where people live regimented lives, doing what they are told, choosing from choices given to them, learning that nothing matters more than popularity, and constantly under supervision or at the beck and call of their teachers, bosses, and other lords and masters (including their parents; sorry parents).

This is not a society that makes people happy. There is good reason to believe (Diener) that rates of depression are about ten times higher than they were one hundred years ago. But more to the point, it is a society that creates people with the type of character that does not produce better futures, because they are conditioned to choose only from what is offered them, to sit down, shut up, and do what they are told, and to play popularity games. If you don't, well, no good job for you, or no job at all, and in this society having very little money is very unpleasant. We do not think up our own options, create our own politics, choose options outside of the limited ones offered by our lords and masters.

We have been created this way, conditioned this way, trained this way, by the

everyday experience of our lives, starting from a very young age. To be sure, this is far from the only reason our societies are dysfunctional and careening from disaster to disaster; there are very real material constraints on what people can do in this society, largely through control of who is given money and credit, but it is a major reason for our problems. We have been shaped into people our lords and masters sincerely hope are not fitted to freedom, not able to make choices outside what they offer, not able to challenge them effectively, and well suited to the trivial jobs they want us to perform, mostly by fighting over which billionaire is the richest.

If you want a free people, you must free your minds, but free minds come from the exercise of practical everyday freedom.

Commentary on “How the Structure of Everyday Life Creates Sociopathic Corporate Leaders”

The last article was about how we became obedient order takers, suited to work for other people, to do what we are told when we are told, in the way we are told.

How we became a people suited not to freedom, responsibility and power, but people suited to slavery.

But it's time to return to that partial truth. Yes, we ordinary citizens have some responsibility for what has happened, if we take no responsibility we also take no power. But, it is also true that our leaders have far more responsibility. It is they who led us to become wage-slaves, to accept our fate, to become little more than assets for the wealthy; objects and treated for and cared for as objects.

Leadership changes as times passes. Leaders die and must be replaced. A system must both train (condition/indoctrinate) leaders, and select those most suited to lead. Different societies need different types of leaders. The traits that would make you the most important man or woman in a hunter/gatherer band (slowness to anger, helpfulness and wisdom) aren't those we look for now.

Instead we need men and women who are willing, able and even eager to do terrible things, knowing they are terrible.

Study after study shows that sociopaths and psychopaths make up a larger percentage of our leadership than their percentage in the overall society, and we act as if that is natural. It is not, we select for people who able to act like sociopaths, whether clinically diagnosed or not.

These are the leaders our society chooses, precisely because they are bad people.

How the Structure of Everyday Life Creates Sociopathic Corporate Leaders

We talked about [how the structure of our upbringing teaches people to be passive and choose from choices offered from them](#), rather than creating their own, better choices.

But that's only part of the equation. The other question is: How is our leadership created?

For this we must look at the structure that sorts out leaders from the rest of us. Today I'll write about corporate leadership

A corporation exists to create a profit. It has no other innate purpose, this is embedded in the law. The corporation is structured so as to remove liability for criminal acts from its owners, and, in practical terms, it also somewhat shields those who control it (its executives and corporate officers) from liability for their actions.

A competitive market is one in which profits are steadily pushed towards zero. If anyone can do what you do (freedom of entry), if there are no information barriers (patents, copyright, secrets) and there are no scale advantages others cannot also achieve, there is no reason why any product or service you create cannot be copied by someone else, who then undercuts you if collusion is not allowed.

To make consistent profits higher, then, than inflation plus the rate of growth of the economy requires that you not be in a competitive market. This is explicitly recognized in strategic thinking, that in a fair market, there are no competitive advantages, and that therefore you need to create an unfair advantage.

Anything another company does which increases their profits, no matter how unethical, if not forbidden by effective law (as opposed to theoretical, aka. unenforced law) you must also do.

What is important about this is that the drive for profits above all and the requirement to gain an unfair advantage as dictated by modern strategic thinking (there are other ways to create an advantage that aren't unfair, but that's not what most companies concentrate on) means that you have to do evil. If your competitors use cheap conflict metals from the Congo, the control of which is gained by mass campaigns of rape, you must do so. If an insurance company denies healthcare to people who are desperately sick, it makes more money. If a power company doesn't spend money on anti-pollution equipment, or dumps untreated effluents rather than treated ones, it makes more money. If a clothing manufacturer doesn't spend money on safety equipment for its highly flammable factories, it makes more money.

It is also in the interest of corporations to create barriers to entry: to enforce stringent patents and copyrights; to ask regulators to say that only some banks get access to the Fed window, giving them a massive advantage over others; to buy politicians who can use public money to subsidize them or bail them out; to insist that money go to them for bailouts rather than to ordinary householders, and so on.

At the lower executive level, the more you can get out of your employees, no matter how you do it, the more likely you are to be promoted. And fear, terror and cost-cutting, while they aren't the only way to do this, are easier to sell to higher management and pay back faster. When they backfire in the long run, as is often the case, well, you'll be gone, because you'll have been promoted.

This leads to the common observation that corporate life is about the next quarter or year, not the next decade. What matters is how much profit you're making now and next quarter, especially to your chances of promotion, not what will happen in the future. Corporate capitalism is largely incapable of planning more than a few years out, certainly not decades (there are exceptions, but even those exceptions, like insurance companies, have been losing that ability.)

High compensation is also an issue. Once you ascend to the senior corporate ranks, your bonuses are based on short term performance and are large enough that after a few years, and sometimes just one, you have enough money you'll never have to work again. So you don't care about the long term, because you don't need the company to be there long

term, only to make as much money as fast as possible.

As a low ranked boss, you terrorize your employees, treat them badly in whatever way is required to make short term profits and are promoted upwards. As a high level executive you make strategic decisions that require you to hurt people you've never met through pollution, failing to invest in safety, or political corruption.

The summary of all this is that the structure of your life, of incentives, in the corporate world, sorts out people who are willing to hurt other people, now and in the future, for their own benefit and to corrupt their own system of government and law for short term advantage. If you aren't willing to do these things, you are unlikely to rise far in a modern corporation, and almost certain not to make it to the CEO level.

It is not that there are no other ways to run economic organizations, and it is not even that these things are necessary to gain a sustained economic advantage, but these appear to our current corporate leadership to be the easiest and quickest ways to make money. It's simple to make the argument "if we cut wages and make people work like dogs, our profits will go up." It is hard to make the argument "if we raise wages and treat our people well, our profits will go up", even though the second is true. And much of modern economic life is a hostage situation: if company A is using metals created through the terror of mass rape, well, you're at a disadvantage if you don't too.

Strong and ethical government takes those hostage situations off the table, but when you've bought out government, that's no longer possible, so you feel compelled to do evil.

People with strong ethical foundations will eventually balk. There will come a point where they will say "no, I'm not doing that, I'm not rewarding people who rape hundreds of thousands of people by buying their blood-drenched minerals", and that's the end of their promotions.

Even people with weak ethical foundations may eventually say "that's just too much, I know these employees and they've been loyal to me and I'm not laying them off." End of that person's career.

The end result of this is Jamie Dimon. You wind up with people who, if they aren't clinical sociopaths and psychopaths, act like them. At best they care for a few people close to them, their family and friends, and they hurt everyone and anyone else around them as

necessary to get ahead. People who get off on it are probably at an advantage, taking joy in your work is a competitive advantage after all: love what you do!

This isn't necessary, in an economy where we decide to take certain behaviors off the table by agreement, legislative or ethical. It isn't necessary from an ideological point of view, since there's plenty of evidence that happy employees are more productive, and it isn't necessary even from a theoretical point of view because even very light protection of works plus happy employees allows you to create a sustained economic advantage by just creating teams of people who are better than the opposition rather than winning because they have a positional advantage.

But it is how we've chosen to do things. Our society elevates functional sociopaths and psychopaths because that is not just the behavior we reward, it is the behavior we demand.

**Commentary on
"Matters of Character"**

In 2013 I wrote many articles on character and ideology, each teasing out one strand of how we came to where we are, because of whom we are.

Now, please listen carefully, because this is key: We are in this historical moment because as a species, we have made bad choices. We made bad choices because of our character. We need to make better choices. To make better choices we need to have different, and better, character and to select leaders with different and better characters.

This is the summary article about how character has put us where we are, and how we can change our character and thus our futures. Character is NOT fixed, it is contingent. In that lies hope, and also great fear, because many want to change your character in ways that are bad for you and for them.

In fact, they already have.

Matters of Character

Over the past year I've written a large number of pieces on ideology, and quite a few have been about character: how it is created by experience, and how specific types of character (like sociopathy) are selected for amongst our leadership classes.

Let's parse this out:

- 1) Character (personality), determines how people act.
- 2) While part of character is clearly genetic, much of it forms out of our experiences. Different experiences create different types of character. As a simple thought exercise, you would be a very different person if you had been born five hundred years ago in, say, Central Africa, than you are today.
- 3) As children, our primary experience is of school. We are a much schooled society, with the upper classes starting school at age 5 or so, and continuing into their mid-twenties. Twenty years of schooling is not uncommon. Fifteen to sixteen is completely normal.
- 4) This schooling takes place when we are forming much of our character, when we are most susceptible to having our character changed.
- 5) In addition to this, we are influenced by media of various kinds (including books), our parents, and our peer group.
- 6) Different time periods form different characters, as do different nations, because people born in those times and places have different experiences. The more synchronized events are, as Newberry has noted, the stronger this is. In a mass media society, with relatively fast technological and social change, it makes sense to speak of generations. The character of people born 20 or 30 years apart in modern

societies will be different, and within cohorts similar experiences will tend to create somewhat similar patterns of character.

- 7) Society is nothing except people and their creations and interactions over time. Walk around an old neighborhood one day, and look at the buildings, the road, the trees and think about all the people who made everything you see, and all the people behind those people. Read the laws, and know that people made those, and enforce those.
- 8) Because society is just people, past and present, the nature of society is formed by our character.
- 9) If we want a different society, we must deal with matters of character.
- 10) Because we should be leery of engaging in eugenics, for reasons which should be obvious, changing society involves changing character through changing our lived experiences.
- 11) Everyone's character matters, but some people's character matters more than others. The more power someone has, whether that power comes from political position, charisma, force, or money, the more their character matters.
- 12) Leaders inform the character of people. People tend to act up, or down, to their leadership.
- 13) Money is permission. The more money you have, the more you get to decide what other people do. This can be directly through hiring them, or indirectly by buying the products of other people's time. As the market society has spread to more and more of our lives, what we do is what gets paid for.
- 14) Who we give money to, and be clear that what banks, government and financial institutions do is decide who gets money, and what they get to spend it on, determines much of the lived experience of adults, and indeed of children outside school, and with the rise of for-profit schooling, inside school.
- 15) Money positions are of three main types. Elected (taxes); officers (CEOs and so on who control a lot of money that isn't theirs); actually rich (the money is their own).

- 16) In all three cases who gets that money is a social choice. Billionaires are a social choice, created by government policy including tax policy, and the entire structure of how profits are booked. Multi-millionaire CEOs are a social choice, created by tax and other laws as well as social norms. And politicians are a social choice, especially in a democracy, but even in autocracies, though in such societies few people's active and passive consent is needed.
- 17) If we select for positions of power, whether monetary, political, or charismatic, people whose character is such that they do not insist on good outcomes for the majority of people, then those outcomes will occur only by chance, if the happenstance of technology and environment aligns in what amounts to random fashion. Having not been planned, having not been understood, any such prosperity and freedom will not last.
- 18) If society is just us, and is a matter of our character combined with environment and technology, then we must consciously choose what we want our character to be. If we look at how we raise children and see that it is not creating the sort of people required for a happy, free, healthy, and prosperous society, then we need to change how we rear children. This is a social decision, not an individual one: we can choose a different type of learning (not necessarily schooling), we can choose a different type of media, we can choose to encourage different types of parenting (parenting styles have changed massively over the last 100 years, more than once).
- 19) We can also change how we select our leaders, both political and economic, to whom we give money, and for what purpose. We already do: Who makes money is a social choice, embedded in our tax code, laws (like "IP"), and monetary system. We can make other choices and create a system where people make money because they do good, not because they do evil (see "bankers").
- 20) We can change our adult experience of the world, and when we change how goods and services are distributed (note that I did not use the word "money"), we will change our experience of the world, and in so doing we will change our character.
- 21) We can do so even if our current character is flawed. The politicians who ended Jim

Crow were themselves mostly racists. They were racists who knew that racism was wrong. It is possible to look at one's own character and know that it is simply a product of experience: to say "I am racist and sexist but I still know that is wrong." It is possible to be involved in corruption (Kennedy Sr., the first SEC chairman) and decide to help clean it up, to end it. It is possible to have all the accoutrements of privilege (FDR) and turn around and change society mostly for the better.

We are all products of our time and place. We are all products of our parents and our experiences; millions of small events which shaped our character, for good, for ill, for kicks.

All of us (except maybe a few enlightened sages).

The full realization of how shaped we are is one of the watersheds of any voyage worth having. If you cannot look at yourself, and see how shaped you were, then you are trapped by those experiences, an even more limited and finite being than you need to be.

Once, however, you see the shaping, feel it, know it, and acknowledge it, then you are not free, but you have the potential to be more free, to change what you are and who you are, both individually, and as a group.

Character matters. It is destiny. Change your character, change your destiny. Change the character of nations; change their destiny.

Change the character of humanity; change our destiny.

Commentary on “Your Theory of Human Nature Predicts Your Policies”

Belief systems: ideologies, generally rest on a base of axioms which are unproven and unproveable; assertions about what is, or should be true.

If your axioms are wrong, or in the case of moral axioms, flawed, (think Greed is Good), then entire structure will be flawed and have terrible consequences once acted on.

Ideologies usually have two sets of axioms: one set is about how the world, including people, is. The second is about how the world, and people, should be.

These axioms are embedded so deeply inside people's belief systems that people act on them without ever realizing they hold them and without ever challenging them.

It matters, then, when an ideology such as economics (yes, economics is an ideology) claims that people are utility maximizers, that they are rational (able to determine what will maximize their utility) and that the best outcomes for a society come from individuals trying to maximize their individual utility.

Among the most consequential of all beliefs is what one believes about human nature. A theory of human nature which says people are bad will have you treating them as bad. Is that what you want? Does it produce good results?

Your Theory of Human Nature Predicts Your Policies

Conservatives were right when they said that ideas have consequences.

What you believe, what we believe, determines much of how we act.

Every economic theory, every political theory, is ultimately a theory about human nature.

If you believe that humans are selfish and greedy, you will believe that the best way to get them to do what you want is through monetary incentives and you will provide those incentives. This includes, in the modern context, not taxing people, because taxes are seen as reducing the incentive to work.

Combine this with a belief that the system is meritocratic, that those who have more money have it because they deserve it and are “value creators” and “job creators” and you logically should reduce high-end taxes, because the most productive people in the economy should not be discouraged from working more.

You come to this web site, and you may think that these ideas are mistaken at best, and more likely ludicrous.

They are widely held. Every time someone attacks a rich person, some fool can be counted on to pipe up and say: “He earned that money, he should keep it!”

Ideas have consequences.

Economic ideas, have consequences. Your conception of human nature determines your economic philosophy, and that economic philosophy will have an effect on actual policy. If you believe, as did those who lived through the Roaring '20s and the Great Depression, that markets do not distribute goods or wealth fairly, or to those who deserve them, or in a way that is either sustainable or wise, you will make different policy decisions. You will tax high incomes at 90 percent or so, you will engage in policies which distribute income, you will work to keep wages and prices high, you will implement a safety net, and

so on.

If you believe that human personality and abilities are not the result of some sort of metaphysical willpower, but a matter of genetic Russian roulette and upbringing, neither of which anyone chooses for themselves, you will not believe that even those who genuinely do contribute more (a very distinctly different thing from “get more money”) necessarily deserve more, since there is little merit in winning the lucky sperm lottery.

The fact is this: Incentives work.

The second fact is this: Using strong incentives is usually idiocy, because they do work.

What happens with incentives is that people's behavior is warped by them. A normal doctor who does not get paid more per test he orders, orders fewer tests. A doctor who owns the facility which does the testing, does more tests. Management has a saying: “What gets measured, gets managed”. Yeah—and nothing else does.

Paying people enough, and trusting their own judgment about what is important, tends to produce better results, because then people don't ignore everything else to leap for the incentives and to meet the measurements some doofus is managing. And they don't go out of their way to manipulate the measurements, which is what happens when reward and punishment are linked to metrics.

But saying “trust people” comes from another model of human nature, one which says, “Most people will do the right thing—as long as they're not given a good reason to do the wrong thing.” (This doesn't mean all people will, just most people.)

The bigger problem is the push towards tying all human behavior into one rule. “We just want to spread our genes.” “Everyone looks out for number one first.” “Everyone is selfish and greedy.” “Humans are inherently sinful due to the fall.” “Everyone seeks to increase their power.”

No. Humans have multiple drives, and how much of what drive is expressed in each of us is different and changes based on the context. Put people in a world where people are cruel to them, and they will become cruel. Put them in a world where people are kind, and most of them will become kind.

None of us is just one thing; each of us changes and changes quickly, from day to day,

year to year, sometimes even minute to minute. We are capable of expressing cruelty sufficient to make demons weep and kindness that would awe an angel. Which we will do and when, depends so much on who we believe we are, how we are treated, and what we are told our nature is.

If we want the better angels of our nature to soar, we have to admit that they exist. If we insist that we are all devils, all selfish bastards, we will build our societies based on that expectation, and we will make our prophecies come true.

**Commentary on
“Human Nature for Ideology”**

It is not enough to say that your conception of human nature predicts your policies. You must have a conception of human nature that is realistic.

Realistic is not the same as completely true. It is unlikely we will ever completely understand ourselves because we would have to be larger than ourselves.

A conception of human nature must, likewise, not be too rigid or specific to our own time and place. The best way to avoid this is to read extensively in cultural anthropology, history and archeology: to see just how different various societies have been and in places where they have not been overly infected by our current hegemonic Western culture, still are.

People are amazing. They can believe almost anything. It's wild.

It's also cause for hope, so long as we remember that beliefs must align with reality and that "almost anything" doesn't mean "anything."

So I offer a theory of human nature which we can build societies out of that will allow us to make better choices than we have in the past, yet which also allows for personal differences and individual choice.

Human Nature for Ideology

All ideologies, including all economic ideologies like the modern discipline of economics, are theories of human nature in drag. If you believe that humans are innately selfish and greedy, for example, you will believe that monetary incentives are the best way to allocate resources and permission to do things in an economy. If you want more of something, you'll arrange for people who do it to have more money.

If you believe that greed leads to the best outcomes, that the invisible hand takes selfishness and turns it into public good, then you will argue that most of what people do because of greed is good, and should not be disallowed, but, indeed, encouraged.

To a remarkable extent, this is how we run out economic affairs, and it is not an ideology that most of humanity, for most of history, would have agreed with. Even if they thought that humans were greedy and selfish, they would have thought that greed and selfishness should be restrained, not rewarded.

Human nature is tricky to discuss because the specifics of human nature are remarkably twisty. All humans don't want almost anything: to live, to procreate, to be rich, to be admired, even to be safe. Whatever you think all humans want, all humans don't.

You can fall back on "the vast majority of humans," and use the standard trick of economics "as if"—humans aren't all greedy, but you can act as if they are and your models will work.

But they won't. Humans aren't rational, they aren't utility seekers except in the most metaphysical of terms (because nobody can give a definition of utility which applies to everyone except "whatever people do/revealed preferences," which isn't a definition.)

Humans have a biology: We have bodies that are much alike, brains that are much alike, and if we wish to continue living, some needs that are much alike (food, water, and internal homeostasis.)

But humans are less defined by their biology than any other animal of which I am aware: We have culture, and our culture adapts and changes far faster than our biology does.

So, if you're creating an ideology, you've got a problem; Humans are so plastic that anything you say about them will be wrong for some of them.

The solution, first, is to make this part of your definition of human nature.

Most humans are malleable. Change the circumstances in which people live, change the way they are raised, change their education, change their technology, change the means of production and what people believe and how they act will change. We become what we do and what we believe and we interpret everyday activity through a lens of belief, language, and ideology.

Humans are neither good nor bad, ethical nor unethical, moral nor immoral. They are, instead, **easily led.** Peer groups and authority figures can get humans to do almost anything: rape, mass-murder, torture. Feed the hungry, heal the wounded, work together to build great projects of which no small group could even conceive.

Humans have drives. Humans want to eat, to have sex, to belong, to feel safe, to be respected, to have meaning in their lives, and so on. But there are many different ways to feed oneself, feel safe, get sex, and be respected. The Maslovian hierarchy is a good guide to people's drives. But—

Not everyone has the same drives to the same extent. Some will starve or die for honor. Others will die rather than kill. Some will dedicate their lives to saving other humans or even non-humans. The Maslovian hierarchy is not a hierarchy for individuals, only for large numbers of people. People will go without food to self-actualize, for example, as the many ascetic traditions of the world should attest.

A few people are rigid. There are some people who you can't get to torture, no matter what. There are some people who will never kill; and so on. There are people whose moral codes are so strong they cannot be coerced into breaking them. Even those people are products of their culture, but once set, they are stone.

Kindness is as innate as cruelty. Empathy is a function of the brain. When we say "I feel your pain," we are talking literally, as mirror neurons dance the same dance as the person

suffering. Humans have died trying to save drowning animals, other humans they don't know, and so on. We see someone suffering, and if we're neurotypical, that suffering hurts us.

Cruelty is innate, too. Some people really get off on cruelty, on hurting other people. As with the rigid moralists, there are a core of people who are like this pretty much no matter what, but in most people it is a question of circumstance and conditioning; treat someone cruelly and they will become cruel. Virtually every abuser was abused. Those to whom evil is done, do it to someone else entirely.

Humans are band-based: We are wired to live in bands of no more than 150 people. Those people are the people we are likely to treat well, whose concerns concern us. While we may be kind to those outside the band, we are far more likely not to be, and the first job of any leader who wants war and cruelty to the outsider is to convince the band "they aren't like us."

We can expand the band: Ideology of various types can expand the band. All Christians are brothers, all members of the same nation; all sports fans of the same team, all people who believe in Democracy, Human Rights, or Communism. Everyone who has the same totem animal. We expand the bonds of the band outwards: "This person is like me and deserves my help and sympathy".

Humans are malleable, twisty, and strange, wildly adaptable, and able to believe almost anything. That malleability has often been a matter of despair, and we have lamented how easy it is for leaders to take us to war and to convince us to commit atrocities.

But it is also a matter for hope: We can change, and just as cruelty begets cruelty, so kindness begets kindness. Both are self-reinforcing cycles, and in that lies hope. As easy as it is to lead most of us to evil, so too most of us can come to do good. Expand the band, create a universalist ideology which rests in kindness, and an allowance for multiple paths to the same end, and human nature can just as easily work for us as against us.

Commentary on “Ethics 101: The Difference Between Ethics and Morals”

Machiavelli wrote that good laws won't save bad people, and that good people can make bad laws work. Americans who go on about how amazing the US constitution is should contemplate this.

This is also why we've spent so much time on issues of character and ideology and ethics.

Of the thousands of articles I've written, this is the one which has been read most. It's not even close. Part of that is just SEO, imagine all the confused undergrads reading it, but part of it is that it hits at the fundamentals of what make societies work and at what is so broken today.

Societies work best when we act as if everyone is in it together; when everyone prospers or suffers together. If hits must be taken, they are taken by elites and commoners, not just by commoners. If there is rationing, the rich are rationed too.

This fundamental truth, learned in World War II by generations now dead or very old, is one of the key things that lead to the great Western prosperity of the post-war period. Even in Britain, which had to continue rationing for years after WWII, the National Health Service was created, as was a welfare state and housing policies meant to make sure everyone was taken care of.

This is because, coming out of a war which required massive group action and sacrifice, after seeing a depression caused by a society based on greed, those who had survived felt that society should serve everyone.

For as long as this is true, you will have a good society.

It starts with being ethical (as defined below), rather than moral.

Ethics 101: The Difference Between Ethics and Morals

The best short definition I've heard, courtesy of my friend Stirling, is that morals are how you treat people you know. Ethics are how you treat people you don't know.

Your morality is what makes you a good wife or husband, dad or mother. A good daughter or son. A good friend. Even a good employee or boss to the people you know personally in the company.

Your ethics are what makes you a good politician. It is what makes you a statesman. It is also what makes you a good, humane CEO of any large company (and yes, [you can make money and pay your employees well as Costco proves.](#))

When you're a politician or a CEO, most of what you do will affect people you don't know, people you can't know, people who are just statistics to you. You have no personal connection to them, and you never will. This is at the heart of Stalin's comment that "a single death is a tragedy, a million deaths a statistic." Change the welfare rules, people will live or die, suffer or prosper. Change the tax structure, healthcare mandates, trade laws, transit spending—virtually everything you do means someone will win, and someone will lose. Sometimes fatally.

Ethics is more important than morality in creating a functioning society. This comes back to what I was discussing earlier, that [it is worse to kill or harm more people than to kill or harm fewer people.](#)

Morality dictates that you take care of your family, friends and even acquaintances first. It is at the heart of the common admonition to "put your family first." Whenever I hear a politician say "I put my family first," I think "Then you shouldn't be in public office."

We call the family the building block of society, but this is nonsense except in the broadest sense. The structure of the family is entirely socially based, generally on how we make our living. A hundred years ago in the US and Canada, the extended family was the

norm, today the nuclear family is, with single parent families coming on strong. In China, this transition, from extended to nuclear family, took place in living memory, many adults still in their prime can remember extended families, and were raised in them. The wealthy often have their children raised by servants (I was for my first five years), tribal societies often put all male children into the same tent or tents at puberty, and so on. A hundred and fifty years ago, children were taught at home, by the extended family, and not by professional teachers. They spent much more time with family until they were apprenticed out, if they were. To be sure, children must be born and raised for society to continue, men and women must come together to get that done, but there are many ways to do it, and God did not come down and mandate the nuclear family.

This may seem like an aside from the main point, but it is not. Family is not fundamental, it is not first. Society is first, and family is shaped by the needs and ideology of the society.

For a large society—a society where you can't know everyone—to work, ethics must come before morality, or ethics and morality must have a great deal of overlap. By acting morally, you must be able to act ethically.

Our current ethical system requires politicians to act unethically, to do great harm to people they don't know, while protecting those they do. This can hardly be denied, and was on display in the 2007/8 financial collapse and the bailout after. The millions of homeowners and employees politicians and central bankers did not know were not helped, and the people the politicians and central bankers and treasury officials did know, were bailed out. Austerity, likewise, has hurt people politicians don't know, while enriching the corporate officers and rich they do know.

The structure of our economy is designed to impoverish people we don't know. For developed nations' citizens, this means people in undeveloped nations. For the rich, this means cutting the wages of the middle class. For the middle class, it means screwing over the poor (yes, the middle class does the day to day enforcement, don't pretend otherwise.) We are obsessed with "lowering costs" and making loans, and both of those are meant to extract maximum value from people while giving them as little as they can in return.

We likewise ignore the future, refusing to build or repair infrastructure, to invest

properly in basic science, and refusing to deal with global warming. These decisions will overwhelmingly affect people we don't know: Any individual infrastructure collapse won't hit us, odds are, and global warming will kill most of its victims in the future. The rich and powerful, in particular, believe that they will avoid the consequences of these things. They think it will affect people other than them.

To put the needs of the few before the needs of the many, in public life, is to be a monster. But even in private life, if we all act selfishly, as our reigning ideology indicates we should, we destroy ourselves. If we all put only ourselves and those we love first, and damn the cost to everyone else, our societies cannot and will not be prosperous, safe, or kind.

The war of all against all is just as nasty when it is waged by small kin groups as when it is waged by individuals.

**Commentary on
"It's Not Your Money"**

This is an old article, which I originally wrote at FireDogLake back in 2008. I wanted to explain in detail that we are all in this together, and that is society which makes it possible for some people to be rich or powerful.

Or, if you prefer, "no man is an island." If you're doing well, you're doing well because you were born into a specific society at a specific time with specific parents in a specific place. Anything else is special pleading. Different societies reward different types of personal attributes and to pretend otherwise is *jejune*.

The great of every society; the rich of every society, stand on the shoulders of everyone else. Without all those other people, and without those who have gone before and created our societies, the great could not be rise so high. As that is the case, they owe most of what they are to their society, and since they owe, they should (and if the society is to remain a good one, they must) work for the benefit of the people of the society.

It starts with the fact that money is worthless without society.

(Oh, and not one part of this argument is invalidated by using purchasing power parity numbers. If you don't believe this, run them, insert them, and see. Exercise for the reader. Aside: I spent a fair bit of time in Bangladesh during the 80s.)

It's Not Your Money

You also didn't earn most of it.

It seems like every time I discuss taxation, some libertarian will waltz in and say: "It's my money and I don't see why the government should be able to take it."

So let's run through why, no, it isn't your money. We'll start with two numbers. [The income per capita for the US in 2005 was \\$43,740. The income per capita for Bangladesh was \\$470.](#)

Now I want you to ask yourself the following question: Are Bangladeshis genetically inferior to Americans? Since not too many of my readers think white sheets look great at a lynching, I'll assume everyone answered no.

Right then, being American is worth \$43,270 more than being Bangladeshi and it's not due to Americans being superior human beings. If it isn't because Americans are superior, then what is it?

The answer is that if it isn't individual, it must be social. On the individual but still social level, Americans are in fact smarter than Bangladeshis because as children they are far less likely to suffer from malnutrition. However not suffering from malnutrition when you're a baby, toddler or young child has nothing to do with you and everything to do with the society you live in and your family—two things over which you have zero influence (perhaps you chose your mother, I didn't!).

Bangladeshis won't, on average, get as good an education. They won't get as much education either, since every child is needed to help earn a living as soon as possible. For most Bangladeshis, there's no room for the extended childhood and adolescence to which westerners have grown accustomed, which often stretches into the late twenties or even early thirties, amongst those seeking Ph.Ds. or becoming doctors or lawyers.

When a Bangladeshi grows up, the jobs available aren't as good. If he or she starts a

business, it will earn much less money than the equivalent American business. If he or she speculates in land and is very successful, the speculation will generate much less wealth than in America.

One could go on and on. I trust the point is obvious—the vast majority of money that an American earns is due to being born an American. Certainly the qualities that make America a good place to live and a good place to make money are things that were created by Americans, but mostly they were created by Americans long dead or they are created by all Americans working together and are not located in the individual.

The same is true of the really rich. [Forbes keeps track of the world's billionaires and almost half of them are in the US.](#) This is because US society and the US government in particular, is set up to create billionaires. Your odds of being a billionaire take a massive jump if you're born in the US. Your odds of being a billionaire if you're born in Bangladesh? Essentially zero. Now one could point out that billionaires are still so rare that the odds are always essentially zero; how many billionaires in your circle of friends? Nonetheless, in 2005, the US had 371. Coming in second, Germany had 55.

Bangladesh, you won't be surprised to hear, had zero.

If you're a billionaire in the US, you're a billionaire in large part because you live in the US.

So, if you're American, a large chunk of the reason you make a lot of money (relative to the rest of the world) is that you are American. The main cause of your relative wealth is not that you work hard or that you're innately smarter than members of other nations (though you may be since you weren't starved as a child). It's because you were afforded opportunities that most people never had and those opportunities existed due to the pure accident of your birth or because you or your family chose to come to the US. The same is true of most first world nations.

Immigrants understand this very well. There's a reason why Mexicans, for example, are willing to risk death to cross the border. Their average income is \$7,310, compared to the US average income of \$43,740. They won't make up all the difference just by crossing the border, but they'll make up enough that it's more than worth it. They haven't personally changed, they don't suddenly work harder now that they're across the border. They don't

suddenly become smarter or stronger. They just change where they live and suddenly the opportunities open to them are so much better, their income goes up.

So let's bring this back to our typical libertarian with his whine that he earned his money and the government shouldn't be allowed to take it away. He didn't earn most of it. Most of it is because, in global terms, he was born on third and thinks he hit a triple. This doesn't mean he hasn't had to work for it, but it does mean that most of the value of his work has nothing to do with him (and Ayn Rand aside, it's almost always a him).

Now, in a democratic society, a government is the vehicle through which the population, as a whole, chooses to organize collective action. Government, imperfect as it is, is the closest approximation to the "will of society" that we've got.

Because the majority of the money any American earns is a function of being American, and the result of their own individual virtues, the government has the moral right to tax. And because those who are rich get more from being American than those who are poor, it also has the moral right to take more money from them.

More importantly than the moral right, government has the pragmatic duty to do so. The roads and bridges that government builds and maintains, the schools that it funds, the police and courts that keep the peace, the investment in R&D that produced the internet, the sewage systems that make real estate speculation possible, and on and on, are a huge chunk of what makes being American worth so much more than being a Bangladeshi. Failure to reinvest in both human and inanimate infrastructure is like killing the golden goose, and America, for decades now, has not been properly maintaining its infrastructure, let alone building it up.

And money itself is something that government provides for its people. It's not your money, it's America's money and it's a damn good thing too. If you don't believe me, try issuing your own money and see how many people accept it. Some will, because when an individual issues money, it's an IOU (which is essentially what money is). I've written a few in my life. In every case, the person I gave it to was less happy to receive it than he would have been to get some nice crisp dollars. And I rested my IOUs on dollars, that is, I promised to repay in my country's currency. Barring the use of accepted currencies, you'd have to issue an IOU saying: "I will repay you with a bundle of rice." Or gold or a service. This raises

the question of enforcement (one thing even libertarians admit the government should do): What if I suddenly refuse to meet the conditions of the IOU? Even an IOU is based on the sanction of the government—if it isn't, it's worth only as much as the good will of the person issuing it or the strong arm of the person holding it.

So no, it isn't your money and it's a good thing it isn't. And while you may have worked your butt off for it, you also didn't earn most of it. The value you impute to yourself ("I'm worth my 80K salary") is mostly a function of where you live, where you were born, and of who your parents are.

Commentary on "Three Simple Policy Heuristics"

I want to move to an article which speaks to what we must do to create good societies.

Oh, the 44 Points article hit a lot of what must be done, but an article so much detail misses leaves out the principles.

What we need are simple ways to evaluate whether what we're doing or want to do is the right or wrong thing. This is closer to kindergarten ethics than it is to a forest of specific policy prescriptions.

It is, instead, close to ideology, as you'll see right at the start.

Indeed, this was another article written out of frustration when it became clear to me that many people didn't really understand what it meant to be kind. This fact floored me. It is necessary to explain kindness?

Yes, yes it is.

So this article is about kindness, and the fact that being kind doesn't mean one has to be a pushover or tolerate bad actors. The first thing one needs to understand is that "pragmatic" doesn't mean "be mean or cruel."

Three Simple Policy Heuristics

[A number of people \(and most of those who run our societies\) don't understand the policy default: "Be kind."](#)

There is a widespread belief that life is shit, "hard choices" have to be made, and those hard choices usually involve someone else suffering and dying.

Life may well be lousy, but most "hard choices" don't have to be made, and those hard choices are one of the main reasons why life is lousy for so many people.

The most important thing to understand is this: Harm ripples, kindness ripples. People you hurt go on to hurt other people. People who are treated with kindness become better people, or more prosperous people, and go on to help others. Yes, there are exceptions (we'll deal with those people), but they are exceptions.

First: Do no harm.

Again, people who are abused, go on to abuse others. Rapists were often raped before they raped others. People who have no money can't buy other people's goods. People who are crippled physically, mentally, emotionally, or socially cannot contribute fully to society and tend not to make those around them happier or more prosperous. Rather the reverse.

While it is necessary to imprison some people for committing crimes (though far fewer than most societies imprison), it is not necessary to make having been convicted an economic death sentence. People who can't get living wage jobs (or any job at all) when they get out of prison gravitate back to crime.

We don't want people raped in jails, because many become rapists themselves and virtually all are damaged by it. When they get out of jail, we have to deal with that damage. We don't want them stuck in solitary confinement for long periods of time because brain

scans show this inflicts traumatic brain damage, and, yeah, we wind up having to deal with those people when they get out.

If someone runs out of money, we don't want them to lose their primary residence. Even if you are soulless, you shouldn't want a society that creates homeless people; it takes far more money to support someone on the street than it does to pay for almost anyone's mortgage or rent. We don't want people who are sick to be denied health care because they become pools for disease. We're treating these people eventually anyway (when they turn 65 or become so poor they qualify for Medicaid), which is far more expensive than dealing with their illnesses when they first present themselves.

We don't want to destroy other countries (Iraq, Afghanistan, Syria, Libya, etc.) because their people become refugees with whom we then must contend; this produces scads of angry people, some of who may wind up killing us, and it further ruins their economies, rendering them unable to buy our goods (except our weapons.)

Damage to others who live on the same planet as you *can* come back to haunt you. Damage to others in your own society *will* come back to haunt you.

So, first, do no harm. Yes, there are exceptions, but they are radically rare. Almost every bit of harm we do to others through government policy is a bad idea. The only common class of exception is covered in rule three.

Second: Be kind.

As the harm you do others comes back to you (insofar as you are "society"), so the good you do comes back to you. I almost don't know what to say about this, as it is so brutally obvious. Happy people are better to be around. Prosperous people are better to be around. Healthy people are better to be around.

Only when goods are legitimately scarce is there reason not to help make other people better off, and, in those cases, it is only applicable to the scarce goods, and only until you can make the goods no longer scarce. Short on food? Ration and plant more crops.

But in today's society, all the significant shortages of the goods which matter most are artificial; we have more than enough food to feed everyone. America has five empty homes for every homeless person. Europe has two empty homes for every homeless

person. Clothing is cheap as hell. Internet is vastly overpriced. Our main sink is just carbon: We need to spew less of that, and we can do that. Our second main limitation is the destruction we are imposing on biodiversity, but we could produce our food with far less impact on the environment if we wanted to, and, even in the short term, we'd be better off for it.

People need stuff: food, housing, safety, education. None of these things should be in shortage anywhere in the world, including safety. They are in shortage because we choose to act greedy, violent, and selfish when we do not need to.

Third: Remove the ability or reason for people to do harm.

Humanity is not a race of saints. It does not need to be. Most people are neither good nor bad, they are weak. They do what the social and physical environment disposes them to do, with the social environment being far more important in the modern era.

Still, some people are bad. The hard core is probably around five percent of the population. And many other people are damaged, because our society has damaged them. They take that damage out on others.

The most dangerous class of malefactors are incentivized to do evil. Think bankers, corporate CEOs, billionaires (almost all of whom do evil as routine). These people do evil because they profit greatly from it, BUT (and most of you will not believe this) what makes a profit in the modern world is overwhelmingly a social choice. The government chooses who can create money, what counts as profit, who is taxed how much, who is subsidized how much, what is property, how much it costs to ship by rail vs. road, etc., etc.

There are independent technological and environmental variables, but they are overwhelmed by social variables. Change the variables and you change the incentives.

The policy is simple: Take away incentives for people to do evil. Take away their ability to do evil (aka. excessive access to money.)

Those who continue to do evil, lock them up. Do it completely humanely, no rape, no violence, no solitary confinement. But make it so they can't do evil. While they are in prison, try to rehabilitate them. Norway has half the recidivism rate of America for a reason: Rehabilitation *does* work for some people.

When they get out, bring them back into society. Make sure they have housing, food, clothing and so on. If they do evil again, lock them up again.

None of this is complicated, in principle. This is simple. This is straightforward. It is work, mind you, we must stay on top of incentives and ability, and not allow anyone to become so rich or so powerful that they are able to buy the rule-makers or be above the law.

None of this should be controversial, though it is. None of this is new, these strands of thoughts go back to Confucius, Ancient Greece, and beyond. They are only controversial because it is in the interest of many for these ideas to be painted as such. And many people, having done evil, develop a taste for it.

Running a society well is hard, in the details it is complicated, but in principle, it is simple. Do the right thing. Make it so that people do well by doing the right thing. Make it so people who do things that are harmful to others stop doing them.

When you want a good society to live in, inculcate these principles. Until then, know that you will only live in a good society briefly and by chance.

**Commentary on
"The Right Stuff: What Prosperity Is and Isn't"**

If we have read and integrated all that's come before we've got our heads and hearts straight at a more fundamental level. There are a catastrophic problems coming down the pipe which we can't handle if we don't change what we do, and to change what we do we have to change who we are, how we feel, and what we think.

We have to want to do the right thing, and we have to believe the right thing (kindness and so on), is also correct, not that "greed is good" and so on.

But we're reaching the point where a lot of adults have never, ever lived in a good economy. Oh, the last good economy, that of the post war era up till the late 70s or so, had issues, no question, including racism, sexism and that it was damaging the climate and ecology. But in a lot of other ways it was excellent.

Up until the recession of 1990, for example, I felt that I could tell my boss to perform sexual acts with himself should he treat me badly. I felt that way because I could get another job within a couple of weeks. That freedom, to tell your boss to take the job and shove it, has been lost for most people.

I could fill up an entire shopping cart with food for an amount of money that took me, at minimum wage, about 9 hours to earn. My rent cost me 50 hours work. It's safe to say that two weeks of my wages per month were mine to with clear and free after all my fixed expenses were paid.

It was also a freer world in the sense of having less security guards, less blast barriers and more ability to go where we wanted, but that will be in the next article.

So let's talk about what it takes to create a good economy: how we would make decisions about what we should do to create a good economy.

The Right Stuff: What Prosperity Is and Isn't

Is a society prosperous when everyone has an abundance of goods, the usual definition of prosperity? Are you prosperous if you have an abundance of goods, but no time to enjoy them? Are you prosperous if you have an abundance of goods, but you're sick? Are you prosperous if you have an abundance of goods, but you live in an oppressive society? Are you prosperous if you have an abundance of goods but are desperately unhappy and feel you've wasted your life?

This falls flat: more goods don't necessarily make us better off, nor more services. More foods that make us sick aren't better. More health care doesn't mean we're healthier, it often means we're sicker. More prisons mean our society is producing more criminals and more crime.

Just increasing economic activity doesn't make people better off. It doesn't increase prosperity.

Perhaps the best example is the change from hunting and gathering to agriculture. It would seem self-evident that learning how to grow more food would make us better off. In fact, however, moving from hunting and gathering to agriculture lead to worse lives for most people. People were shorter in most agricultural societies, which indicates worse nutrition. They suffered more from disease and had far more chronic health conditions. Most people also had less free time and didn't live as long as the hunter-gatherers who preceded them.

Nor was this a short term decline, it lasted for thousands of years. Height is a good measure of nutrition, and we are still not as tall as our hunter-gatherer ancestors. Pelvic depth, which measures how easily women give birth has never recovered. Median lifespan was not higher for around 6,000 years. And even after it recovered, it declined again in large parts of the world. Members of the Hellenic world, from 300 BC to 120 AD, had longer

lives than westerners before the 20th century.

Our lives can get worse, and stay worse, for hundreds or thousands of years, despite having more goods.

If prosperity means having more stuff, but being sicker and dying sooner, do we want it?

A better definition of prosperity is about having, not more goods and services, but the right goods and services in the right quantity.

We should want goods and services that make us healthier, happier, smarter, more able to do great works and to live well. Instead of more work, we should want right work, enough work to make the right stuff, but not so much work we have no time for our loved ones, friends and doing the activities we love, whatever those might be. And, as much as possible we should want health instead of medicine and low crime rather than prisons.

All other things being equal more productive capacity is better. The more stuff we can make, in theory, the better off we'll be. But in practice, it doesn't always work that way.

Part of the problem is due to hierarchies and inequality. Inequality is undeniably bad for us. The more unequal your society is, the lower the median lifespan. The more unequal the society, the sicker, in general. More heart attacks, much more stress. The more unequal, the more crime. These links are robust.

The links run two ways. On the one hand, humans find inequality stressful. The human body, if subject to long term stress, becomes unhealthy and far more likely to be sick. People who feel unequal act less capable than those who feel equal. This is true for the rich and powerful in unequal societies and the poor. Everyone suffers. Though the poor and weak do suffer more, even the rich and powerful would be healthier and live longer in equal societies, most likely simply due to the stress effect.

The second part is distribution, or rather, the question of who gets to decide the distribution. The more unequal a society, the less stuff the poor and middle class have, comparatively. Some technologies tend to lead to more inequality, some tend to lead to more equality. In most hunter-gatherer societies there isn't enough surplus to support a class of rich powerful people and their servitors, in particular their servitors who enforce the status quo through ideology or violence. With little surplus, there is equality. This

doesn't mean hunter-gatherers live badly, most of them seem to have spent a lot less time producing what they needed than we do, they certainly didn't work 40 hour weeks, or 60 hour weeks, closer to 20. The rest of the time they could dance, create art, make love, socialize, make music or whatever else they enjoyed.

Agriculture didn't lead immediately to inequality, the original agricultural societies appear to have been quite equal, probably even more so than the late hunter-gatherer societies that preceded them. But increasing surpluses and the need for coordination which arose, especially in hydraulic civilizations (civilizations based around irrigation which is labor intensive and require specialists) led to the rise of inequality. The pharaohs created great monuments, but their subjects did not live nearly as well as hunter-gatherers.

The organization of violence, and the technology behind it is also a factor. It is not an accident that classical Greece had democracy in many cities, nor that it extended only to males who could fight and not women or non-fighting males. It is not an accident that Rome had citizenship classes based on what equipment soldiers could afford: the Equestrian class was named that because they could take a horse to war. It is not an accident that the Swiss Cantons, where men fought in pike formation, were democratic for their time. Nor is it an accident that universal suffrage arose in the age of mass conscription.

When Rome moved away from citizen conscription to a professional army it soon lost its liberty. As we move away from mass armies it is notable that while we haven't lost the vote, formally, the vote seems to matter less and less as politicians more and more do what they want no matter what the electorate might want.

Power matters for prosperity, the more evenly power is spread, the more likely a society is to be prosperous, for no small factions can engage in policies which are helpful to them, but broadly harmful to everyone else. Likewise widespread demand, absent supply bottlenecks, leads to widespread prosperity as well.

In the current era we have seen a massive increase in CEO and executive pay, this is due to the fact that they have taken power over the primary productive organizations in our society: corporations. The owners of most corporations, if they are not also the managers, are largely powerless against the management. It is not that management is more competent than it was 40 years ago, at least at their ostensible job of enriching

shareholders, it is that they are more powerful than they were 40 years ago, compared to shareholders and compared to government.

Because increases in the amount we can create do not automatically translate into either creating what is good for us, or into relatively even distribution of what we create, increases in the amount we can create do not always lead to prosperity, and certainly they do not have to lead to widespread affluence. Productivity in America rose 80.4% from 1973 to 2011, but median real wages rose only 10.2% and median male wages rose 0.1 %. This was not the case from 1948 to 1973, when wages rose as fast as productivity.

Increases in productivity, in our ability to make more stuff, only lead to prosperity and affluence if we are both making the right stuff, and we are actually distributing that stuff widely. If a small group of individuals are able to skim off most of the surplus then prosperity does not result and if a society which is prosperous allows an oligarchy, nobility or aristocracy to form, even if such an aristocracy (like our own) pretends it does not exist, society will find its prosperity fading.

Creating goods that hurt people is not prosperity either. At the current time about 40% of all deaths are caused by pollution or malnutrition. If someone you love has died, there is a good chance they died because we make stuff in ways that pollute the environment, or because the stuff we make, like much food, is very bad for us. Being fat is not healthy, and we have an epidemic of obesity. Even when we do not, immediately, die, we suffer from chronic diseases at a rate that would astonish our ancestors. As of the year 2000, for example, approximately 45% of the US population suffered from a chronic disease. 21% had multiple conditions. Some of this is just due to living longer, but much of it is due to the food we eat, the stress our jobs inflict on us, and the pollution we spew into the air, land and water.

We should always remember this. Increases in productive capacity and technological advancement do not always lead to welfare and when they do, they do not have to do so immediately. The industrial revolution certainly did lead to increased human welfare, but if you were of the generations thrown off the land and made to work in the early factories, often 6 1/2 days a week, in horrible conditions, you would not have thought so. You were in virtually every way worse off than before being thrown off the land, and so were your

children. A few industrialists and the people around them certainly did very well, but that is not prosperity, nor is it affluence.

Prosperity, in the end, is as much about power and politics as it is about technology and productive ability. The ability to make more does not ensure we are making the right things, or that the people who need them, get them. Productive capacity which is not shared is not prosperity.

Commentary on “The Decline and Fall of Post War Liberalism”

This is another old article. I wrote it originally for FireDogLake, before I was editor there.

Prosperity comes from power. People without power either have no prosperity or will lose it. If you want a particular group to have more stuff, you need to increase their power and reduce the power of those who oppose them.

This was once clearly understood. The founders of the labor union movement and those who brought it to its greatest power knew this in their bones. They knew that the owners and bosses were more powerful than them, and that they had power only together.

And, well, I hate to break this to you, because there is a modern ideology that violence doesn't work, but they were violent. Indeed, in the US the miners once fought a bloody battle on a mountain with the US military. (They lost, but they hurt the military badly.)

People who are willing to commit violence if their rights or prosperity are threatened are the bedrock of any prosperity. It is that simple and if it's ugly, well it remains true.

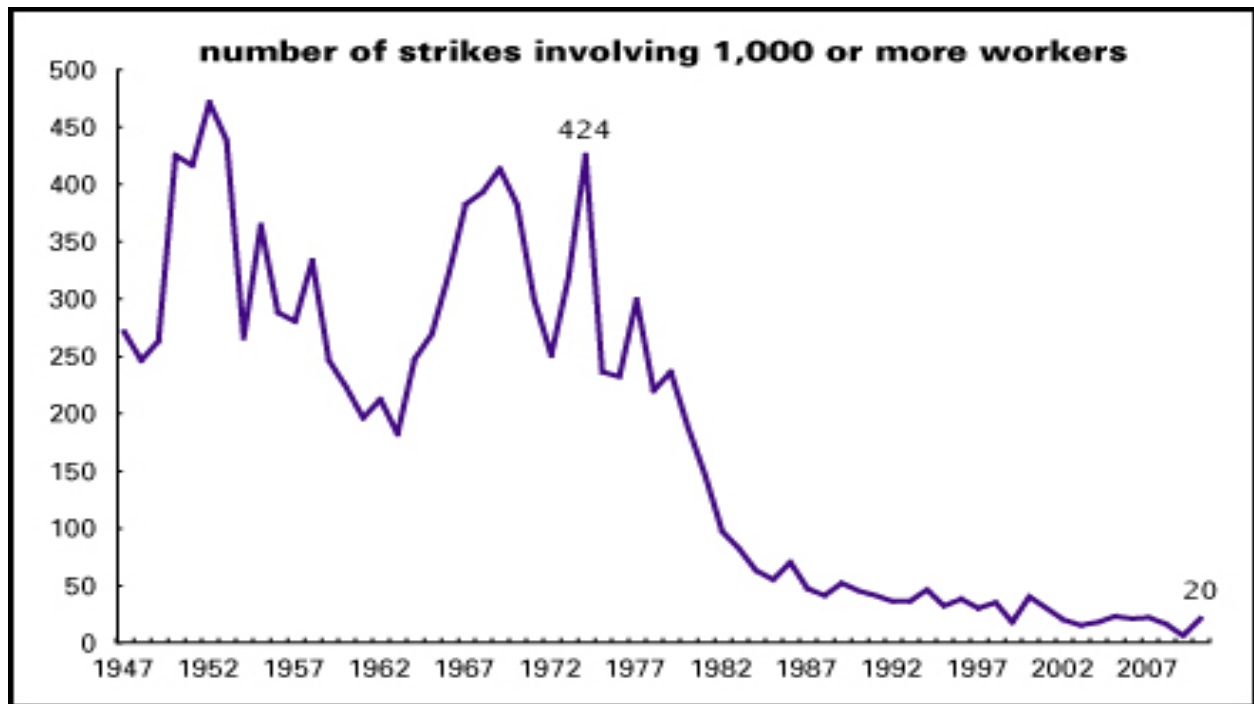
Conservatives in the 70s and 80s understood this. Liberals had forgotten it, or didn't care. Labor unions had become comfy.

But conservatives, still reeling from what FDR had done to them, they were hungry, and they were willing to do whatever it took to tilt the field back their way, so they could have another Gilded Age.

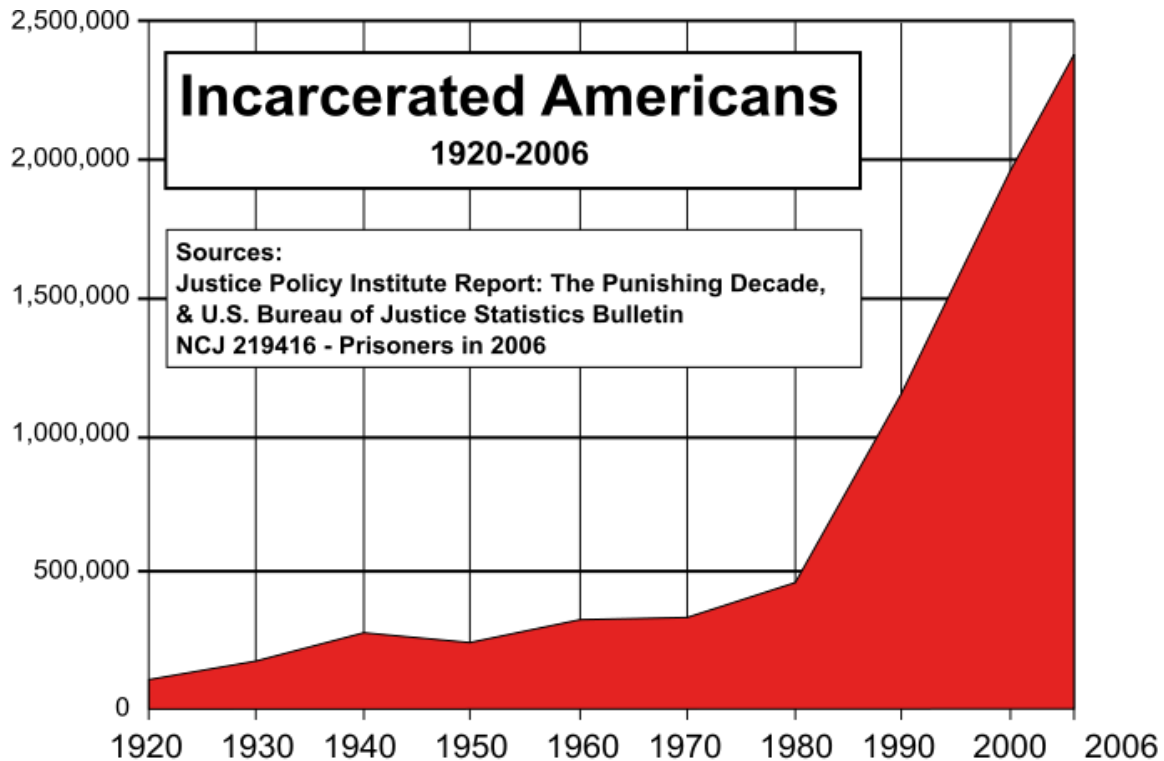
They succeeded. Here's how.

The Decline and Fall of Post War Liberalism and the Rise of the Right

In the Anglo-US world, post-War liberalism has been on the defensive since the 1970s. This is normally shown through various wage or wealth graphs, but I'm going to show two graphs of a different nature. The first, is the number of strikes involving more than 1K workers. Fascinating, eh?



The second, is the incarceration rate. It isn't adjusted for population increases, but even if it was, the picture wouldn't change significantly.



(All images are from Wikipedia.)

This is the change in America caused by the Reagan revolution, which, as is the case with most revolutions, started before its flagship personality.

I was born in 1968. I remember the 70s, albeit from a child's perspective. They were very different from today. My overwhelming impression is that people were more relaxed and having a lot more fun. They were also far more open. The omnipresent security personnel, the constant ID checks, and so forth, did not exist. Those came in to force, in Canada, in the early 1990s. As a bike courier in Ottawa, I would regularly walk around government offices to deliver packages. A few, like the Department of National Defense and Foreign Affairs, would make us call up or make us deliver to the mail room, but in most cases I'd just go up to the recipient's office. Virtually all corporate offices were open, gated only by a receptionist.

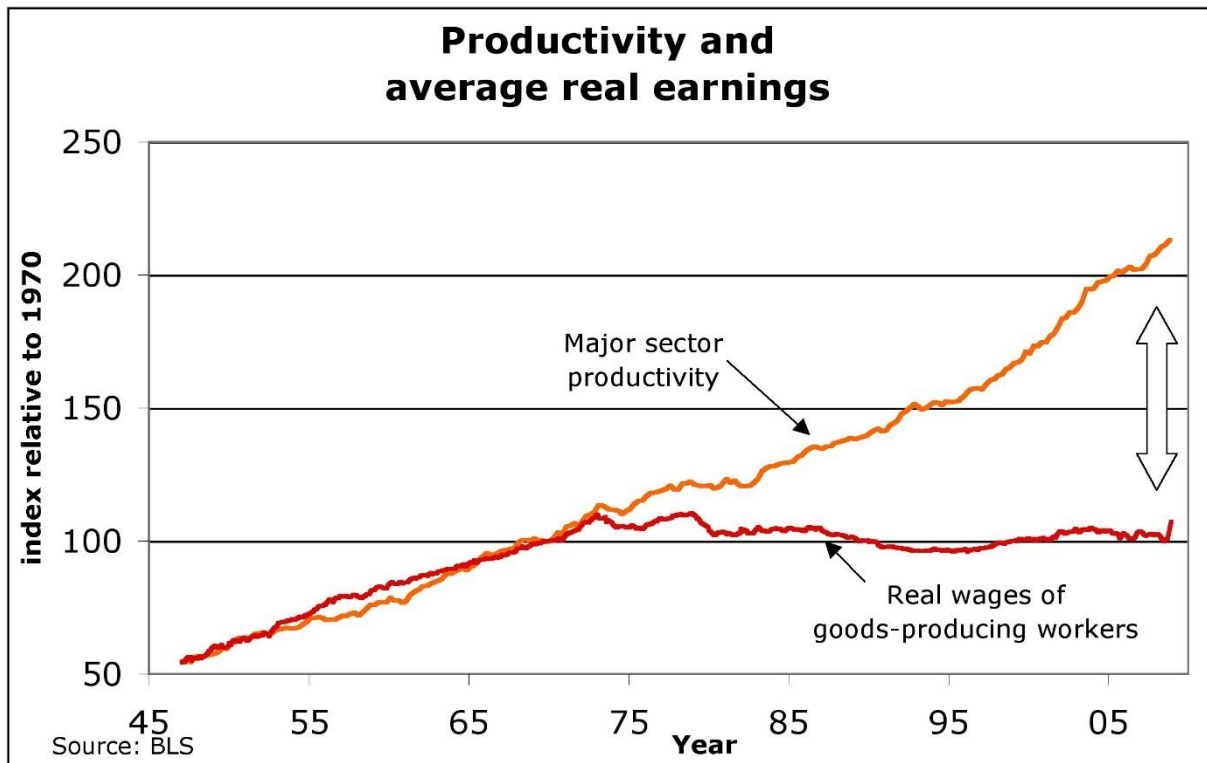
Even the higher security places were freer. I used to walk through Defense headquarters virtually every day, as they connected two bridges with a heated pedestrian walkway. That walkway closed in the Gulf War and has never, so far as I know, re-opened.

I also walked freely through Parliament Hill, unescorted, with no ID check to get in.

This may seem like a sidelight, but it isn't. The post-war liberal state was fundamentally different from the one we have today. It was open. The bureaucrats and the politicians and even the important private citizens were not nearly as cut off from ordinary people as they are today. As a bike courier, I interrupted senior meetings of Assistant Deputy Ministers with deliveries. I walked right in. (They were very gracious in every case.)

The post-war liberal state involved multiple sectors, in conflict, but in agreement about that conflict. Strikes were allowed, they were expected, and unions were considered to have their part to play. It was understood that workers had a right to fight for their part of the pie. Capitalism, liberal capitalism, meant collective action because only groups of ordinary workers can win their share of productivity increases.

Which leads us to our next chart. The moment you lock up everyone who causes trouble (usually for non-violent, non-compliance with drug laws), the moment you crack down on strikes, ordinary people don't get their share of productivity increases. It's really just that simple.



This is all of a piece. The closing off of politicians and bureaucrats from public contact, the soaring CEO and executive salaries which allow them to live without seeing anyone who isn't part of their class or a servitor, the locking up of people who don't obey laws that make no sense (and drug laws are almost always stupid laws), the crushing of unions, which are a way to give unfettered feedback to politicians and our corporate masters, are all about allowing them to take the lion's share of the meat of economic gains and leave the scraps for everyone else.

But why did the liberal state fail? Why did this come about? Let's highlight three reasons: the rise of the disconnected technocrat; the failure to handle the oil crisis, and; the aging of the liberal generations.

The rise of the disconnected technocrat has been discussed often, generally with respect to the Vietnam war. The "best and the brightest" had all the numbers, managed the war, and lost it. They did so because they mistook the numbers for reality and lost control. The numbers they had were managed up, by the people on the ground. They were fake. The kill counts coming out of Vietnam, for example, were completely fake and inflated. Having never worked on the ground, having not "worked their way up from the mail room," having not served in the military themselves, disconnected technocrats didn't realize how badly they were being played. They could not call bullshit. This is a version of the same problem which saw the Soviet Politburo lose control over production in the USSR.

The second, specific failure was the inability to manage the oil shocks and the rise of OPEC. As a child in the 1970s, I saw the price of chocolate bars go from 25c to a dollar in a few years. The same thing happened to comic books. The same thing happened to everything. The postwar liberal state was built on cheap oil and the loss of it cascaded through the economy. This is related to the Vietnam war. As with the Iraq war in the 2000s, there was an opportunity cost to war. Attention was on an essentially meaningless war in SE Asia while the important events were occurring in the Middle East. The cost, the financial cost of the war, should have been spent instead on transitioning the economy to a more efficient one—to a "super-analog" world. All the techs were not in place, but enough were there, so that, with temporizing and research starting in the late 1960s, the transition could have been made.

Instead the attempt was left too late, at which point the liberal state had lost most of

its legitimacy. Carter tried, but was a bad politician and not trusted sufficiently. Nor did he truly believe in, or understand, liberalism, which is why Kennedy ran against him in 1980.

But Kennedy didn't win and neither did Carter. Reagan did. And what Reagan bet was that new oil resources would come online soon enough to bail him out. He was right. They did and the moment faded. Paul Volcker, as Fed Chairman, appointed by Carter, crushed inflation by crushing wages, but once inflation was crushed and he wanted to give workers their share of the new economy, he was purged and "the Maestro," Alan Greenspan, was put in charge. Under Greenspan, the Fed treated so-called wage push inflation as the most important form of inflation.

Greenspan's tenure as Fed chairman can be summed up as follows: Crush wage gains that are faster than inflation and make sure the stock market keeps rising no matter what ([the Greenspan Put](#)). Any time the market would falter, Greenspan would be there with cheap money. Any time workers looked like they might get their share of productivity gains, Greenspan would crush the economy. This wasn't just so the rich could get richer, it was to keep commodity inflation under control, since workers would spend their wages on activities and items which increased oil consumption.

The third reason for the failure of liberalism was the aging of the liberal generation. Last year I read [Chief Justice Robert Jackson's brief biography of FDR](#) (which you should read). At the end of the book are brief biographies of main New Deal figures other than Roosevelt. Reading them, I was struck by how many were dying in the 1970s. The great lions who created modern liberalism, who created the New Deal, who understood the moving parts were dead or old. They had not created successors who understood their system, who understood how the economy and the politics of the economy worked, or even who understood how to do rationing properly during a changeover to the new economy.

The hard-core of the liberal coalition, the people who were adults in the Great Depression, who felt in their bones that you had to be fair to the poor, because without the grace of God there go you, were old and dying. The suburban part of the GI Generation was willing to betray liberalism to keep suburbia; it was their version of the good life, for which everything else must be sacrificed. And sacrificed it was, and has been, because suburbia, as it is currently constituted, cannot survive high oil prices without draining the rest of society dry.

Reagan offered a way out, a way that didn't involve obvious sacrifice. He attacked a liberal establishment which had not handled high oil prices, which had lost the Vietnam war, and which had alienated its core southern supporters by giving Blacks rights.

And he delivered, after a fashion. The economy did improve, many people did well, and inflation was brought under control (granted, it would have been if Carter had his second term, but people don't think like that). The people who already had good jobs were generally okay, especially if they were older. If you were in your 40s or 50s when Reagan took charge in 1980, it was a good bet that you'd be dead before the bill really came due. You would win the death bet.

Liberalism failed because it couldn't handle the war and crisis of the late 60s and 70s. The people who could have helped were dead or too old. They had not properly trained successors; those successors were paying attention to the wrong problem and had become disconnected from the reality on the ground. And the New Deal coalition was fracturing, more interested in hating blacks or keeping the "good" suburban lifestyle than in making sure that a rising tide lifted all boats (a prescriptive, not descriptive, statement).

There are those who say liberalism is dying now. That's true, sort of, in Europe ex-Britain. The social-democratic European state is being dismantled. The EU is turning frankly tyrannical and the Euro is being used as a tool to extract value from peripheral nations by the core nations. But in the Anglo-American world, liberalism was already dead, with the few great spars like Glass-Steagall, defined benefit pensions, SS, Medicare, welfare, and so on, under constant assault.

Europe was cushioned from what happened to the US by high density and a different political culture. The oil shocks hit them hard, but without significant suburbia, without sprawl, tolerably. They were able to maintain the social-democratic state. They are now losing it, not because they must, but because their elites want it. Every part of the social-democratic state is something which could be privatized to make money for your lords and masters, or it can be gotten rid of if no money can be made from it and the money once spent on it can be redirected towards their priorities.

Liberalism died and is dying because liberals aren't *really* liberal, and when they are, they can't do anything about it.

None of this means that modern conservatism (which is far different from the

conservatism of my childhood) is a success if one cares about mass well-being. It isn't. But it is a success in the sense that it has done what its lords and masters wanted—it has transferred wealth, income and, power to them. It is self-sustaining, in the sense that it transfers power to those who want it to continue. It builds and strengthens its own coalition.

Any political coalition, any ideology behind a political coalition, must do this: It must build and strengthen support. It must have people who know that if it continues they will do well, and that if it doesn't, they won't. Liberalism failed to make that case to Southerners, who doubled down on cheap factory jobs and racism, and to suburbanite GI Generation types, who wanted to keep the value of their homes and knew they couldn't if oil prices and inflation weren't controlled. Their perceived interests no longer aligned with liberalism and so they left the coalition.

We can have a new form of liberalism (or whatever we wish to call it), when we understand why the old form failed and can articulate the conditions for our new form's success. Maybe more on that another time.

**Commentary on
“The Unemployment Rate Isn't Used To Keep Unemployment Low”**

Should you wish to destroy a people's prosperity, you must either first take away their power, or sucker them into thinking you aren't hurting them. Neoliberals and their precursors like Nixon did both.

This article is about the mechanics of crushing wages. How did our lords and masters make it so that ordinary people no longer received any increases from improved productivity?

It starts with controlling economic ideology— moving from post-war Keynesianism (which is not the same as what people now call Keynesianism) to supply side monetary theory. Then you appoint those people to the Federal Reserve, or your nation's central bank.

They control who gets to print how much money. (Remember that most money printing is actually done by private actors like banks and brokerages.)

Someone, probably not a Rothschild, once said, "give me control of a country's money and I care not who makes it laws.". Money is very directly power: it lets you decide what other people, including politicians, do. Take control of the Federal Reserve, the banks and other money creators, and you will eventually control the country.

Then you can use that control to crush wages.

Which they did.

The Unemployment Rate Isn't Used to Keep Unemployment Low

Years ago, I complained to my friend Stirling Newberry that the unemployment rate didn't seem to track how good the economy felt, or how many people were in desperate need of employment.

The unemployment rate was, then, and is now, taken as a proxy for the health of the economy for ordinary people. However, I could see and feel that the economy was getting worse for ordinary people, and that fact was showing up in other statistics. Plus, unemployment rates that were considered a crisis when I was young in the 70s, were now considered acceptable.

Stirling said, "You need to know who an economic statistic is designed for, and what they use it for."

A little history is necessary here, about inflation. In the 70s, due to the oil crisis and other mishandled economic problems, inflation got out of control in the West. Very high interest rates were used to bring it down, by Chairman Volcker at the Fed. Western policy makers became obsessed with inflation. It was considered Enemy Number One. They decided that the worst cause of inflation was wage increases and called this "wage push inflation."

To track this, they turned to a statistic called the non-accelerating inflation rate of unemployment (NAIRU). NAIRU was the rate below which the unemployment rate was assumed to cause inflation.

The unemployment figure measures the number of people actively looking for jobs, compared to those who have jobs, remember. Thus it measures the active demand, in the market, for a job. Therefore, theoretically, if there are too few people looking for jobs,

employers are expected to have to raise wages to attract workers.

(This is, to be clear, when wages rise the most, which is something non-economists and non-oligarchs *want* to happen.)

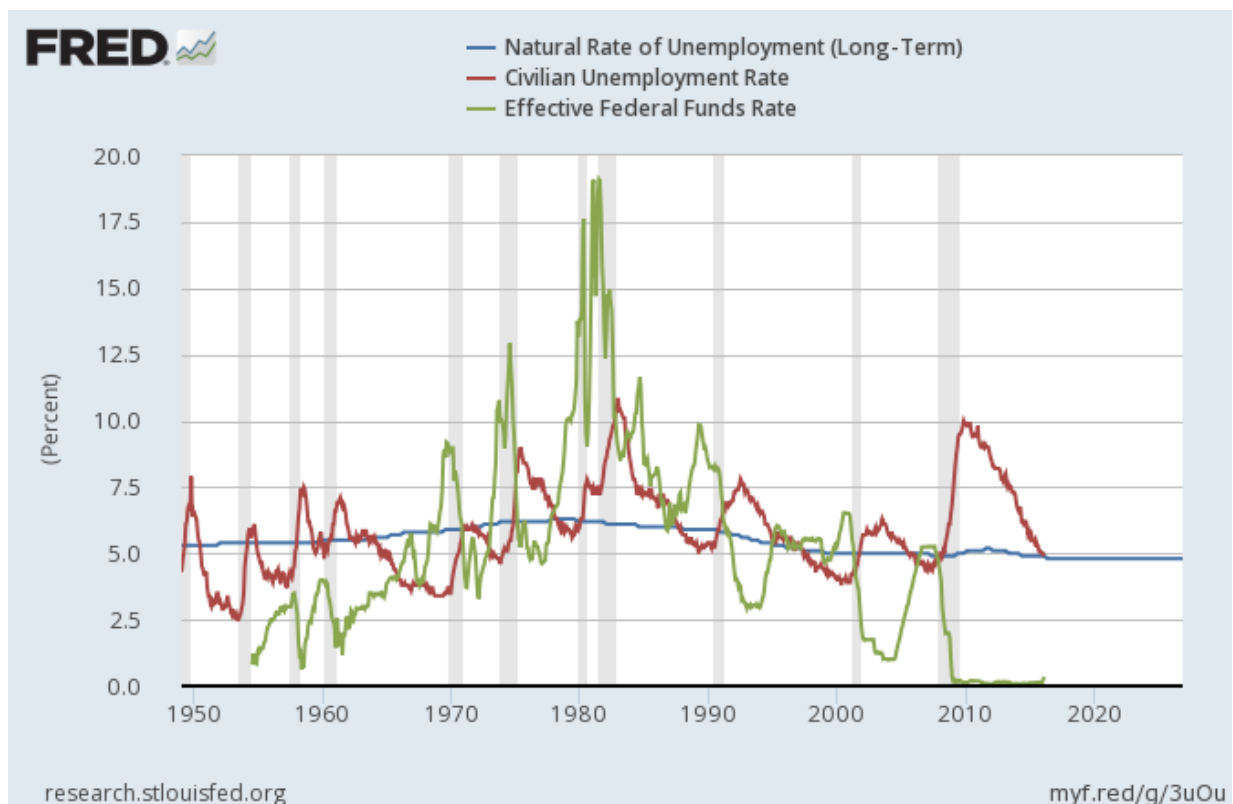
If you are old enough, you will remember that during the 80s and 90s, and even into the 00s, when the unemployment rate would drop, the stock market would take losses. This is because stock investors expected the Federal Reserve to raise interest rates, which is bad for the economy and bad for stocks.

So, the unemployment rate from late 70s and on, has been used to determine if wages should cause inflation, and to then raise interest rates to make sure they don't.

Not incidentally, the result is also to crush wages, because, essentially, wages that improve are nothing more than wages that increase faster than non-wage inflation.

The unemployment rate not only *doesn't* measure how good the economy feels for ordinary people, it was actually used, with purposeful action, to crush wages.

And here's a pretty graph.



NAIRU (Civilian Unemployment Rate) vs Unemployment (Natural Rate of Unemployment) vs Effective Federal Funds Rate

You'll notice that while effective federal funds rates (the green line) increase during low unemployment periods (the red line) before Volcker, it is after Volcker that they correlate strongly to whether the unemployment rate is approaching or below NAIRU. Before Volcker, the unemployment rate is often below NAIRU and people get a lot of raises.

Note, in particular, and with amusement, that the flat, blue line rate (the natural rate of unemployment) in recent years shows a period where unemployment has stayed above NAIRU. Note that Yellen started talking about increasing rates as the unemployment rate came closer to NAIRU.

Your wages were crushed, deliberately, supposedly to crush wage inflation.

And this is why unemployment doesn't have very much to do with how the economy feels for ordinary people, especially not now (it effects how the economy feels some, but not much). Unemployment has to get below NAIRU and stay there for you to get real wages.

I will point out, for completeness, that the idea that wages are the most important source of inflation is questionable, but I'll deal with that at a later date. *(Never did write that article, I'm afraid. One day..)*

**Commentary on
“Free Trade is Elites Betraying Their Own Populations”**

Entire books have been written on how neoliberalism screwed over everyone in the bottom eighty to ninety-five percent of the population in most countries which adopted it. (China didn't, by the way, so neoliberals don't get to claim its successes as theirs. China industrialized under bog standard mercantilist protectionism. Countries who did what neoliberals told them to do did not industrialize.)

One part of neoliberalism was an emphasis on free trade, because it allowed neoliberals to avoid democratic control over policy, crush wages, and make sure that no alternatives to their system would rise.

It's important to understand that Western elites don't identify strongly with their countries. They have more in common with their counterparts in other Western countries (Japan counts as western in this limited sense) than they do with their fellow citizens. Their interests are served by policies which harm their fellow citizens, and which enrich foreign elites.

Our elites may not have managed our societies well from the point of view of general welfare, but they have been excellent at acting on what they perceive as their own self-interest. If that hurt anyone else, or will cause a climate and ecological apocalypse, there is no evidence, judged by their actions, that they care.

Free Trade Is Elites Betraying Their Own Populations

The odd thing about free trade is that it is both meaningless and vastly important. Comparative advantage, which is supposed to be a straight win for both trading partners, is a rounding error even when it works—if you don't have full employment; it's essentially meaningless. However, the ways in which free trade (and the free capital flows that are part of what we call "free" trade) is used to systematically undercut wages and working conditions and destroy environmental safeguards, make trade, as we practice it, vastly important.

The classic case for trade is comparative advantage: You do what you're best at, I do what I'm best at, we trade, and we both wind up with more stuff. The math on this is impeccable, but it works in the real world only under very specific conditions. The most important part is this: If I have the extra resources (both material and labor), I'm better off producing the goods myself, rather than trading with you—even if my production methods are less efficient than yours. I'll still wind up with more stuff. In short, if I don't have full employment, then free trade is a rounding error.

This is related to [Ricardo's Caveat](#), where the economist noted that, in his time, capital was not mobile. If it was not being used to do one thing in Britain or France, it would be redeployed to do something else in its own country. It would not be used to create jobs in another country. In our system, with mobile capital, there is no reason to employ either capital or people in the country of origin if higher profits can be made elsewhere. In this case, free trade can lead to an actual loss of jobs.

One standard argument made for free trade is that it produces cheaper consumer goods, and that makes people in a country better off, even if jobs are being off-shored. This is only marginally true. Most of the reduced cost of foreign goods is taken as profits, not passed on to consumers. The loss of jobs means that some people lose outright and

completely: those who can't find jobs or can only find low-paying, service jobs. But even those who keep their jobs are disadvantaged if trade means the labor market is not tight, because if the labor market is not tight, labor has no pricing power and gets almost no raises (this is why there have been no significant median wage raises since the mid-70s or so.)

The renunciation of tariffs and trade controls is a form of betrayal by in-country elites who have capital to deploy outside the country against everyone else in the country. If a foreign country has lower wages, worse environmental standards, horribly unsafe or coerced labor conditions, this is a comparative advantage. It is a comparative advantage even within countries, mind you.

If I pay less, or I work my workers like dogs, or I dump effluent into rivers, or I don't bother to pay for fire escapes and sprinklers, I have an advantage over anyone who does these things. The standard solution to this is to legally mandate that I must pay a decent wage, not dump effluent, and pay for a safe work space. If everyone is forced to do so, no one is at a disadvantage.

This can only be done if there is a legal mandate over a territory and an enforcement mechanism. That means, usually, it can only be done within a single country.

Anyone outside the country can betray and can do any of these noxious things which increase their productivity at the cost of the environment or the people.

The standard response to this is to say: "Sure, you can do that, but if you do, we'll just add it to the price of any goods you sell to us."

Free trade agreements take the ability to do that off the table and force roundabout methods (like currency manipulation) which don't work as well and instead of earning a government income, cost the government money. Alternatively, though it costs money, one can subsidize one's own industry, but most free trade agreements make that illegal as well.

Free trade is harmful to the economy of nations. It is also not necessary for industrialization—rather, the reverse is true. Every nation larger than a city-state, other than Russia, has industrialized behind trade barriers of some kind and that includes the United States, Japan, Britain, and China. (There is an argument that mercantilism requires one party to have trade barriers and another party to have no barriers. However, a country with

full employment can allow free trade for things it doesn't produce itself, thus allowing foreign mercantilism.)

As long as the capital of a country is deployed within that country and the country has some access to markets, protected trade works. Sub-Saharan African countries had higher GDP growth in the 50s and 60s, under managed trade, than they did when their markets were forced open.

Often, the practical effect of free trade and free capital flows is to allow foreigners to buy out large parts of a nation's economy, as when NAFTA was used to buy out Mexico's major food producers. Foreign goods from other countries flood into whatever country is forced to, or agrees to, open its borders, destroying the local economy. This is most dangerous when food is involved. In Mexico, millions of farmers were forced off the land because of US subsidized agricultural products, post-NAFTA. African and Latin American countries forced their own farmers off the land so they could agglomerate agricultural land for cash crops, leading to food insufficiency, and because everyone was selling the same cash crops, they didn't even get very much hard currency for it.

Once your country can't feed itself, you are at the complete mercy of other countries and you have lost significant sovereignty—especially if you don't generate sufficient hard currency to pay those who are selling you food (see Greece or Egypt).

Internal elites are often happy to sign destructive trade agreements because they win, even if their country loses. They get to skim off money from the loans, they are the ones who run the cash-crop farms, they are the ones who are able to sell whatever it is that foreigners want to buy, in exchange for hard currency.

If you want a country that's self-sufficient and which is also heading towards economic prosperity, you must have elites and a population which do not want foreign luxuries, or who are at least willing to forgo them. When Korea was modernizing, foreign cigarettes, for example, were demonized. Every bit of foreign exchange was used not for luxuries, but to buy capital goods which could be bought only with hard currency. If your elites want a Mercedes-Benz, a vacation on the Riviera, a flat in London, to see shows on Broadway—if they want things which can only be bought in hard currency, they will sell you out and you will not industrialize or modernize. The tastes of the elites and the population

must be for whatever your country produces or whatever can be bought in your currency from partners with whom you do not have a significant trade deficit.

None of this is to say that trade is always bad, it is important and necessary. But trade must always be managed. Just as you don't want resource prices to increase your currency to the point where your manufactured products are uncompetitive (thus destroying your manufacturing base), you don't want trade to destroy your sufficiency in food or to lock you into a low tier of production forever. Comparative advantage screams, "Do what you're good at," but if what you're good at is growing soybeans, you may not want to do that for eternity. You may want to do what you're *not* good at and get better at it. If Korea or Japan had taken Western economists' advice, as Ha-Joon Chang has pointed out, they'd still be growing silk and rice, which is where they had an advantage, instead of making some of the best cars in the world, which is where the US had a comparative advantage.

No country can do everything and every country will need to trade for the resources it cannot obtain otherwise, but trade should be rationally managed so that a country has a manufacturing sector and enough self-sufficiency that it doesn't absolutely require another country's goods, if that can at all be avoided. (It can't always, we don't all have oil.) At the very least, a country should be as close to able to feed itself as possible, something which was long understood by statesmen as an absolute priority.

Internally, free trade is used to create betrayals. Trade deals do not allow environmental protections, do not allow high wages, and do not allow fair treatment of workers. Otherwise, you aren't competitive and the usual remedies, like tariffs and subsidies, are not allowed by those same trade deals. This allows oligarchs in every country involved in the deal to put downward pressure on wages, regulations, benefits, and even standards of humane treatment, in the name of "competitiveness."

A wise society, including a global society, takes certain types of behavior "off the table," by just forbidding them. Absent that, they make it so that those who do such things are not rewarded. Fail to do either of these things and you find yourself in a race to the bottom.

Note, again, that this is in oligarchs' best interest EVEN if their country loses. Greek

oligarchs, post-crash, are doing just fine. African potentates walk away with multi-million dollar bank accounts even as their own citizens starve to death. Business owners want to push down wages and costs, no matter where they are. This devastates countries and even the citizenry of many of the winning countries (like the US), but it benefits the few a great deal in relative terms. They'd be better off, as a class, in absolute terms if they took this behavior off the table, but they wouldn't be as rich relative to everyone else, or as powerful, and they value that relative wealth and power more than absolute wealth and power. It isn't enough that they win, their own populations must be poor and weak, too.

Free trade is a bad idea. Free capital flows are a worse idea. Managed trade is a good idea and slow capital flows are a better idea (there is no evidence that foreign capital develops countries, as an aside, see Ha-Joon Chang on that).

Free trade, as we practice it, is about our country's elites betraying their own populations.

**Commentary on
“Seven Rules for Running a Real Left-Wing Government”**

Doom. Gloom. Latin and South America going from mostly left-wing to mostly right wing (largely because of the collapse in commodity prices, but that collapse was not managed.)

I've written so much about what the neoliberals did; about the neoliberal juggernaut, that it's wise to write about what we could do; what we could have done; to resist. It's unbelievably hard to run an actual left wing government in the modern world, and almost the only people to have managed it long term are the Scandinavian countries and Cuba.

That's not a real good record.

Everyone else who has tried has failed. Or been made to fail, more accurately.

So let's say you want to run such a government and you aren't protected by the EU and being pale white. How do you do it?

(This is one of the harshest articles I have ever written, so remember the three policy heuristics articles. Bad actors must have their power removed. Period. If you won't do that, you will lose, it is that simple.)

Seven Rules for Running a Real Left-wing Government

So, we have had a right-wing coup in Brazil. In Venezuela, the left still controls the Presidency, but has lost control of parliament. In Argentina, the right has won the election.

I have been asked how to stop right-wing reversals.

First, it's worth noting that these three cases are somewhat different. Brazil is a coup in all but name. Venezuela saw massive deliberate fouling of the economy by internal right-wing forces. The situation in Argentina was the closest to fair; a reversal of electoral fortunes.

Still there are lessons to be learned from their experiences:

It's Not You, It's China (or, the World System)

All three left-wing movements in Brazil, Venezuela, and Argentina were associated with rising commodity prices. When those commodity prices collapsed, it was only natural for their fortunes to reverse. They are in power when the economy goes bad, now people want them out. The populace is willing to be complicit in actions that get them out, which are dubious.

Don't Run Your Economy on Resources

Yes, okay, this is easier said than done. It is hard to bootstrap into something else if you're a non-core economy. Heck, even many core economies are losing their manufacturing bases and while finance can "work," it's a shit way to run your economy. So are "services." We'll discuss this in more depth below. But the bottom line is this: You have to develop (or have plans to develop) your economy into a mixed economy, so that it can survive during the inevitable downturns, and, thus, so that your movement can survive them.

People expect you to be able to maintain prosperity. Given the world order as it stands, that may be like asking you to swim with a hundred pound weight strapped to your

back, but you still have to do it.

Your First Act Must Be a Media Law

Break them up. Take them over. Whichever. Ignore the screams about media freedom from the usual suspects in the West, this is a case of “freedom of the press belongs to those who own one.” In all three countries, the media conglomerates remained in the control of oligarchs (update: to be clear Venezuela did eventually expropriate them, but only after many years), and in all three cases, the majority of the media remained relentlessly hostile to the left.

This is just as true in countries like Britain, Canada, or the US as it is in Argentina, Venezuela, or Brazil, by the way. There is a reason why the post-war liberal regimes put strict media controls in place—including size limits—and there is a reason why those limits were removed by the neoliberal regimes that replaced them.

You can win “against the media” for a time, but if you leave it in the hands of your enemies, they will eventually use it to bury you.

Take Control of the Banking Sector

The banking sector creates money. Money determines what people can and cannot do. This is the control mechanism for the economy in any state which runs on markets. You must control it. If you control it, you can use it to strangle your domestic enemies. If you do not, your enemies will use it to strangle you.

This is a great problem. The world economy has been designed so that countries need to trade, and they need foreign money. So, you can take control of your banking sector, but you can't control England's, or America's, or the payment system (this is what killed Argentina), and thus you cannot tell creditors to go fuck themselves. You need foreign money for necessities.

It is also problematic because the people who know how to run the market economy are not your people. You have get rid of the people who ran it before, so who is going to run it now?

Who Is Your Administrative Class?

You must have a class of people available to run the state and those chunks of the economy

over which you are taking control (whether formally or informally). You must know who those people are. FDR reached into academia for many of his people; he pulled from the social gospel folks (who were used to administering large organizations), and he found a lot of fellow class traitors (for example, JFK's father, whom he used to run the SEC–Kennedy knew all the tricks and was able to tamp down Wall Street's BS).

Post-FDR, one of the reasons why factory line supervisors were made ineligible for union membership was so that union members couldn't be used as easily to take over organizations—even the lowest level supervisors were no longer union members.

There are always people who know the business and believe the way it is being run is bullshit. But you have to know who they are, both as a class and individually. There are certainly people who can run TV stations and newspapers who are left-wing, but you've got to know who they are. There are heterodox economists and people who have worked in the finance industry who are class traitors and just itching for a chance to put the boots to the assholes they worked for. Again, you must know who they are.

Take Control of Distribution and Utilities

Yeah, sorry, but no one said this would be easy. In Venezuela, you had the economic elite deliberately worsening shortages. Huge stocks of consumer goods buried and hidden.

These people have power. They are your enemies. They will use their power against you. They will not “play fair.”

In Egypt, under the Brotherhood, the deep state did things like cause electricity outages and blame it on the Brotherhood. Of course, the same bureaucrats as always were running the electrical system.

Again, this comes back to control: You have to take control and you have to have competent people you can trust who can do so. Do you know who they are?

Reduce Your Vulnerability to the World Trade System

The world system as it stands now is designed so that no nation can stand alone: They cannot make and grow everything they need. This was not always the case. In the past, many nations went out of their way to be self-sufficient. It was Keynes' position, by the way, that nations should produce all their day-to-day necessities themselves, wherever possible,

and import only what they could not produce and luxuries—but to strive not to need anything they couldn't make.

This has been economic and political orthodoxy at various points.

But it isn't now. You're in hock to various foreigners for a lot of money, denominated in their currency. You probably can't feed your own nation. You can't make what you need (toilet paper, famously, in Venezuela's case) and you can't buy it without foreign currency. But the foreign financial system is not friendly to you if you're genuinely left-wing, and the world trade system is set up to make it illegal to do what is required to produce goods domestically.

You'll need subsidies or tariffs to make new domestic industries viable, and that's illegal thanks to a web of trade deals meant to make you unable to control your own economy.

[Venezuela tried to increase farming, but failed, precisely because the price of oil went through the roof and foreign food was cheaper than domestic.](#) The classic response would be tariffs, but the kinds of tariffs sufficient to work would not be tolerated by the world trade system.

It's hard to overstate how huge a problem this is. It goes back to the commodity issue. Maybe you have enough foreign cash for now, but you won't always, and you *must* have it. This vulnerability must be reduced, generally.

No one has managed this in the neoliberal era, not completely, and huge amounts of geopolitics are run based on this. Russia has its oil prices drop, so it moves to selling military goods to make up the difference, for example, and its Syrian intervention is, in large part, a venue to show off how well its weapons work.

Workarounds have been tried: Cooperation with other left-wing nations is the standard one. Venezuela with Cuba, and so on. But this is the "south" trading with the "south." The stuff they really need, generally, none of them actually produce. If they do they either don't produce enough, or they don't *really*, i.e. it's produced by some multinational with no loyalty.

So then you try to appropriate the multinational, but that runs you into all sorts of problems from getting replacement parts for the machines, to the experts to run what

you've expropriated, to effective embargoes, (even if not declared as such).

Nonetheless, this is a problem which must be solved. A full description of how to bootstrap an economy is beyond the scope of this article, and I'm not sure I have a full kit, but I will say this: There are a huge number of highly-skilled first world workers, from the Ph.D.-level down to machinists who are unemployed or underemployed. They want to work. They hate their own system. You can bring these people in, give them new lives, and at least have the necessary expertise.

I know many extremely qualified pharma professionals who would love a chance to set generic factories and create new drugs without the pressure for palliatives they receive from their drug company employers (or ex-employers), as just one example.

This bootstrapping is a challenge which appeals to a lot of the very best and brightest.

Be Satisfied with What You Can Grow and Make

If your elites or population insist on fresh summer vegetables in winter, you're done. What you can produce, you must have a taste for. This is especially true for elites. If they must have the latest Mercedes, a vacation in Paris, and a home in London, you're screwed because to have those things they must have foreign currency.

When Korea was industrializing they had huge campaigns to not smoke foreign cigarettes: It was considered unpatriotic.

You need what foreign currency you have to stay earmarked for capital goods, and you need your elites to be local elites, not global elites. If your elites consider themselves global, you will never be able to create the necessary self-sufficiency to buck the world system.

Obey the Laws of Purges

Let's not dance around. Your first steps will be breaking the power of current economic and political elites who are not willing to convincingly join you—or at least let you rule without trying to sabotage you.

You must do this all at once. When it happens, it has to happen to everyone it is going to happen to. This is Machiavelli's dictum, and he was right. After it has happened, those

who weren't broken know they're safe as long as they don't get in your way.

If the breaking keeps going on and on, everyone who still has something to lose (and still, thus, has power) lives in fear. They must destroy you before you destroy them.

Let's give a concrete example. Assume Obama was really a left-winger. He gets into power in 2009, and he really wants to change things. He needs to take out the financial elite: Wall Street and the Big Banks.

They've handed him the opportunity. Here's part of how he does it: He declares all banks involved in the sub-prime fraud racket (all of the big ones and most of the small ones) conspiracies under RICO.

He then says that all the individual executives' money are proceeds from crime and confiscates it. (This is 100 percent legal under laws as they exist). He charges them, and they are forced to use public defenders.

They are now powerless. This is the second law of purges: Anyone you damage, you must destroy utterly. If you take away half their power, and leave them half, they will hate you forever and use their remaining power to destroy you.

Leave them whole, or destroy them. The financial executives would have been destroyed, and win or lose in the courts, the next five to ten years of their lives would be consumed by personal legal nightmares.

Again, this is a Machiavellian dictum.

All of this will make many readers uneasy. It seems "mean."

Get out of the game. You aren't fit for it. This is all mean. Millions of people die every year and millions more are ruined by the current system. If you're in this game to win it, rather than feel good about yourself, you will have to play real power politics by the actual rules of the game.

Too many left-wingers try to play by what they *think* the rules are. "We have a fair election every X years and the losers accept the result and don't sabotage the winner (or start a coup)."

Those aren't the real rules. If the right is really losing, they will cheat and cheat massively. They will think nothing of running death squads, making a deal with the US to support guerrillas, and so on.

You directly threaten their wealth and power if you are a real left-winger. Even if all you want is a 50s style social democracy with racial and gender equality, that would destroy almost all of what they have. They remember what FDR did to them, even if you don't. They remember all the lost power and fortunes.

It is not possible to have a fair, egalitarian, prosperous society, and have very rich and powerful elites. It cannot be done. Brandeis was exactly right when he said you can have democracy or great wealth in the hands of a few, but you can't have both.

Either you're willing to do what it takes, including the ugly bits, or you aren't. There are sometimes local exceptions, places where a lot of the ugly isn't needed, but there aren't a lot of those places left in the world. This isn't the post-war era and even then, in the South (as opposed to Scandinavia), actual egalitarian, developed economies mostly weren't allowed. You can ask Central and South America about that.

Most left-wing movements get into power without having properly thought out what they'll do once in power and without a realistic understanding of the deep lack of belief in democratic norms by their right-wing opponents.

Break your enemy's power. If you're any sort of left-winger worth your salt, you ethically do not believe in huge concentrations of power and money in the hands of a few people anyway. Act on your beliefs.

And if they've committed a pile of crimes (and they almost always have), use those crimes against them.

Then remember the world system is set up expressly to stop what you are doing.

You're tackling the dragon, and most people who do that get eaten. We tell the stories of the dragon slayers because they are so few.

So, know the odds are against you and be willing to do what is required to improve them. If you aren't, stay home.

Commentary on “What Can Obama Really Do?”

We need one more article on the use of power. There is an illusion among Democrats that Obama did the best that he could have done, that he was vastly constrained and powerless.

He wasn't. He had options and choices, and he chose, as best I can tell, those he believed in.

The result is that a historic opportunity to break the power of the rich, allowing the restoration of the economy, actual competitive markets and, indeed, of democracy itself, was lost.

But the opportunity was there. There will be other opportunities, so it is important to understand what Obama could have done; how he could have broken the power of the rich, and been the next FDR.

Ironically, because Obama did not break the rich, he did not do what FDR did, which is save capitalism from its own excesses. Thus there is a good chance that capitalism's days are numbered, because by the next opportunity to break the power of the oligarchs, capitalism's excesses will have been seen to have caused an existential environmental crisis.

Sadly, Democracy may go with it. We'll cover that soon.

In the meantime, understand this article was written in 2010 (and I had written similar articles in 2008/9. It wasn't post-facto but written when Obama still had power and Democrats controlled Congress.)

What Can Obama Really Do?

A zombie argument is going around about why Obama hasn't accomplished liberal and progressive ends to the extent many would have liked him to:

"Obama can't do anything because he needs 60 votes in Congress and he doesn't have them because Republicans and Dems like Lieberman and Nelson won't vote for his programs."

This argument is misleading in one sense and incorrect in another. It is misleading in that it misrepresents how things get done in Congress. It is incorrect in that many liberal policies do not require the consent of Congress.

Let's examine the misconceptions this zombie argument is built on.

Negotiation 101

Let's look at how things get done in Congress. Obama apologists make the excuse that Obama couldn't have passed a larger stimulus because he was forced to reduce the stimulus by \$100 billion as it was. This line of reasoning demonstrates a misunderstanding of how negotiation (or Congress) works.

If Obama had wanted a \$1.2 trillion stimulus, say, he should have asked for a \$1.6 trillion stimulus. Then "moderate" Republicans and Dems could have negotiated him down \$400K. This is basic negotiation, which anyone who has ever negotiated in a third world bazaar knows—you start off with an offer far higher (or lower) than what you're willing to accept, and leave room for the inevitable haggling.

The same is true of health care reform. If you're negotiating for a public option—if you actually want one, then you don't throw single payer advocates out. You act as if that's something you're seriously considering, you talk about polls showing it has majority support, and you then "compromise" to a public option.

This sort of self-defeating, pre-negotiation concession has been a repeated pattern for the Obama administration (assuming that Obama does seek Liberal ends).

Force It Through

Many liberal policies do not require the consent of congress.

The Bush tax cuts were pushed through under reconciliation. Most of health care reform, including a public option could have been accomplished the same way. The tactical choice was entirely at the discretion of the Democratic leadership.

If Obama and Reid can't hold 50 votes, then the problem is them, not the policies themselves, or "how congress works".

Congress: Who Cares about Congress?

Now, let's talk about other issues. There are many areas where Obama does not need Congress's approval.

Don't Ask, Don't Tell

[Obama can issue a stop loss for any soldiers any time he wants.](#) Bang, that's it, at least for as long as he's President.

HAMP (the program supposedly intended to help homeowners, which hasn't)

This program is totally under administrative control. If Obama wanted it to work, there's nothing to stop him.

Habeas Corpus

Obama can give everyone in Gitmo their day in court. Restoring habeas corpus is totally at his discretion, and he has chosen not to.

Social Security

After Congress voted down a debt and deficit commission, Obama went ahead and created one anyway—and stacked it with people with track records of wanting to slash Social Security.

In short, Obama has managed to side-step Congress in order to work against Democratic policy positions (e.g., Social Security), but otherwise has ignored executive privilege when he wanted to continue Bush-era policies (e.g., detention without trial at Gitmo) or to ignore the rights and needs of everyday Americans (e.g., HAMP and DADT). To the Obama administration, Congress is a very selective obstacle.

Going Forward: What Obama Can Still Do

Not only could Obama rectify DADT, HAMP, Habeas Corpus, and his Social Security commission with a stroke of his pen, he can still do a great deal to help the economy. If he wants to.

TARP

Obama has complete control of the TARP funds, the majority of which have not been spent. (We're talking over \$500 billion in slush funds.) \$ 500 billion is a lot of stimulus, if it's done right. Cash for Clunkers, representing a tiny fraction of the total stimulus funds, massively goosed GDP while it was in effect.

Leaving aside direct stimulus, there are plenty of other helpful things Obama could do. For example, as a friend of mine noted, most distressed debt today is selling to collection agencies for less than 10 cents on the dollar (often under 5 cents). The Treasury could buy up \$100 billion of that distressed debt at 10 cents on the dollar. Reclaim the money at 15 cents on the dollar through the IRS, and otherwise just write it off. You won't make 50% profit, because some people can't pay even 10%, but you'll almost certainly make some profit. Roll the money over and buy up more debt. Keep doing it. (N.B. In the past such debt didn't sell so cheap, mainly because in the past, pre-Bankruptcy "reform", people who really couldn't pay would declare bankruptcy, but now they can't. Obama never made fixing that horrible bankruptcy bill a priority at all.) Folks would be absolutely thrilled by a way to deal with distressed debt. With the debt off their backs, they could spend again, so it would also be stimulative. There are plenty of other things that could be done with over 500 billion dollars to help ordinary people and goose the economy.

Breaking the Banks (and getting lending going again)

The banks have been pretty ungrateful for the massive bailout they received. They have unilaterally increased credit card rates to gouge customers, have been gaming the market (so much so that one quarter many banks didn't lose money on their trading operations even one day of the quarter), have fought against financial reform, and have generally acted against the interests of the majority of Americans. One might say "well, now that they're bailed out, there is nothing we can do about it."

Wrong.

The Fed still holds over \$2 trillion in toxic waste from the banks. The banks still hold trillions of dollars of toxic waste. If sold on the open market this stuff would sell for, oh, about 5 cents on the dollar. If forced to mark the assets they are keeping on their books at inflated prices to their actual market value, I doubt there is a single major bank in the country which wouldn't go bankrupt. Including Goldman Sachs.

So here's what you do. As the Federal Reserve you sell \$100 billion of the toxic waste on the open market. Set an actual price for it. Then you make the banks mark their assets to market value. They go bankrupt. You nationalize them. (Why not?—They are actually bankrupt after all, and they haven't increased lending like they were supposed to; in fact, they have decreased it.) You make the stockholders take their losses and the bondholders too, then you reflate the banks. (If the Fed can print trillions to keep zombie banks "alive" it can print money to reflate nationalized banks.) The banks lend under FDIC and Fed direction, at the interest rates the Fed directs. The FDIC and Fed eventually break the banks up into a reasonable size. And while they're at it, they get rid of the entire executive class which caused the financial crisis, and have the DOJ go over all the internal memos and start charging everyone who committed fraud. (Hint: that's virtually every executive at a major bank.) Again, this is completely up to Obama—the DOJ answers to him.

Think Obama can't do this without Bernanke? Wrong. Obama can fire any Fed Governor for cause and replace them during a Congressional recess with no oversight.* ("Cause" is never defined, but Obama can note that the [Fed's mandate includes maximum employment](#) and not stopping the financial crisis in the first place is certainly plausible as cause as well.)

Obama had the power. Obama had the money. Obama has the power—and the money.

The idea that Obama, or any President, is a powerless shrinking violet, helpless in the face of Congress is just an excuse. Presidents have immense amounts of power: the question is whether or not they use that power, and if they do, what they use it for.

Obama has a huge slush fund with hundreds of billions of dollars and all the executive authority he needs to turn things around.

If Obama is not using that money and authority, the bottom line is it's because he doesn't want to.

Putting aside the question of what Obama could have accomplished already, if he wants to help everyday Americans, turn around Democratic approval ratings in time for the midterm elections, and leave behind him a legacy of achievement, he can still do it. If he wants to.

Note:

**"2. Members Ineligible to Serve Member Banks; Term of Office; Chairman and Vice Chairman*

The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President."

12 USC 242

**Commentary on
“The Lies at the Heart of Our Dying Order”**

We spend a lot of time talking about the ruling ideology, neoliberalism.

Understandable.

But neoliberalism is dying. Ideologies usually fail because they break core promises to part of their constituency.

It is why post-war liberalism failed, because it couldn't handle the inflation and unemployment caused the OPEC oil crises.

In Wagner's Ring Cycle, Wotan has inscribed on his spear his promises. One by one he breaks them, and that eventually leads to his fall.

It is important to understand that neoliberalism IS failing. It is important to understand why, and it is important to understand why so that when create a new, hopefully better ideology, we know what is required to keep it alive.

Or kill it.

It is also important to understand this because too many comfortable liberals (neoliberals) are bewildered by why so many people don't trust experts.

Experts betrayed.

The Lies at the Heart of Our Dying Order

One should understand why people have lost trust in experts, the media, and politicians.

It is not difficult, it is the same reason people lost faith in Soviet Communism: Promises were made that turned out to be lies, those promises were not kept.

Soviet Communism was supposed to lead to a cornucopia and a withering away of the state. Instead it led to a police state and a huge drought of consumer goods, and often enough, even food. Communism failed to meet its core promises.

The world order we live in was born in 1979 or 1980, with Thatcher and Reagan. It made a few core promises:

- If the rich have more money, they will create more jobs.
- Lower taxes will lead to more prosperity.
- Increases in housing and stock market prices will increase prosperity for everyone.
- Trade deals and globalization will make everyone better off.

The above core promises all turned out to be lies. It's that simple. For the last 40-odd years, most of the population experienced either stagnation or decline.

Understand clearly: By 1979, people had lost faith in the post-WWII order. They were willing to try something new.

That "new" order has now betrayed too many people, and it is falling. It will continue to fail. We are in the twilight of neoliberalism (a longer article on that topic is forthcoming).

This is the reason why people are going for "fake news." This is why people are willing to listen to demagogues. This is why people don't trust the press—and why should they? The press has lied to them repeatedly, it is the original fake news. This is why people don't listen when hundreds of economists say Brexit is bad—why should they? Most economists missed the housing bubble.

Neoliberalism has discredited everyone who bought in to it. Who didn't buy into it? Well, the hard left and what people are now calling the "alt-right."

So people are turning in those directions, though more to the right. Because people are ideologically and identity driven, and most are not intellectuals, what they look for are signifiers that someone is not like the people who screwed them, who lied to them for 40 years.

Trump does not talk like those people. Farage does not talk like those people. On the left, Corbyn does not talk like those people and, to a large extent, neither did Sanders.

And so, people are turning to people who don't parse like the "typical" elite. Many of those people are also selling them a bill of goods (Trump, to a large extent), or are nasty pieces of work (Trump, Alt-Right). To a lot of people, however, that doesn't matter: They can't take the pain any more. They are assured a long decline and they will take a flyer on anyone who might shake things up.

Lying is bad policy. It may get you what you want in the short run, or even the medium run, but it destroys the very basis of your power and legitimacy. Lying is what neoliberal politicians, journalists (yes, yes they are neoliberal), and their experts have done to themselves and they destroyed both their own power and legitimacy and that of the order they supported. No one with sense trusts them: If you trust these people, you have no sense, it is definitional. I always laugh when some idiot says, "But 90 percent of economists think X is bad."

FAIL. They also missed the housing bubble. They lied or were "mistaken" about trade deals. Their opinion means nothing.

All this screaming about fake news is something I will take seriously when the New York Times, who helped sell the Iraq war based on "fake news," is listed as fake.

The current order has very little credibility left, and they are losing more and more. Look at all the poll failures: Somehow, the polls almost always get it wrong against insurgents, not for them.

No, neoliberalism is dying, and its defenders are discredited, and both things deserve to be the case. That does not mean its death-throes will be pleasant (they won't be) or that what replaces it will be better, just that it has run its course.

Those who supported it took their rewards: The top tier got filthy, stinking rich, their courtiers received good jobs and money, even as both disappeared for their victims. They will have to be satisfied with that, because posterity will be absolutely scathing to them, as it is to the generation leading up to World War I. Lie repeatedly, fail to keep your promises, and things like Trump and Brexit will be the result. It is that simple.

Commentary on "The Cycle of Civilization and the Twilight of Neoliberalism"

I wrote earlier that we'd discuss the end of neoliberalism and this is the first of two articles on the issue.

The article is big picture and speaks for itself, so I want to digress very slightly into the question of free will.

Could we have reformed and fixed neoliberalism, or had it change into something more benign sooner, without collapse? I mean, we didn't. But was it possible?

This is a personal question of sorts, I spent a good chunk of my life trying to do this, to avoid collapse and so that we could deal with issues like climate change and ecological collapse before the point of no return. Waiting until neoliberalism fell, I knew, would be too late to stop much of the worst.

Is too late.

But I still wonder if my attempts, and those of many others, were a complete waste of time. If the lies at the heart of neoliberalism, the solipsism of elites and the complicity of the masses made it impossible.

This question is important, because whether we can control our behavior as a species, and at the level of civilizations, will determine whether we survive as a species and create good societies or not.

If we can't control ourselves consciously, we in effect can't learn. And if we can't learn, we might as well be ants, for all our knowledge.

This is a large part of the question I deal with in my book "The Creation of Reality", which should come out in the next year or two.

For now, I invite you to think on it. It's a scary question, but if the answer is yes, it might also be an exciting one.

The Cycle of Civilization and the Twilight of Neoliberalism

Many mainstream pundits now admit that the rise of the right wing populism is due to the neglect, over the last 40 years or so, of many people, leaving them to rot, as the rich got richer. Four decades of stagnant wages, soaring housing prices, shitty jobs, and so on have left people willing to vote against the status quo, no matter what they're voting for.

This is all very nice. It is even a good thing.

But the warnings were given for decades. I remember very well warnings about rising inequality as early as the mid-eighties, and doubtless some were warning sooner and I missed it due to my youth. And the people making them often said, "This is bad because it will lead to the rise of very bad people, like in the 30s."

Yeah.

Learning after reality hits you in the face with a shovel, repeatedly, is good, but it's not as good as avoiding getting hit in the face with a shovel.

Of course, the problem is that elites, "pundits," only got hit in the face with a shovel recently. The last 40 years may have been a terrible time to be a peon, but they were the best time to be rich, or a retainer of the rich, in modern history. Maybe in all of history. Yeah, Babylonian Kingdoms and Roman Emperors were richer, but what you could buy with it was limited (though sex, food, and the ability to push other people around are the basics, and have always been available).

So, the people with power saw no reason to stop, because the policies were making them filthy rich and impoverishing people they didn't know or care about. Heck, impoverishing ordinary people was good, it made services (and servants) cheaper.

For quite some time, I pursued a two-prong (worthless) strategy. I told the people being fucked that they needed to fight back and scare the shit out of the elites, or the elites would keep hurting them. And I told the elites that as much as the peons seemed to be

willing to take it and take it, eventually they would rebel.

Neither strategy worked, and even though the peons are now in revolt, they are backing policies which may help them somewhat in the short run, but which will be bad for them in the middle term—at least so far. (I have some hope that the left will win some in Europe. Spain's leftists and Corbyn are the most promising signs so far.)

This is, really, just the normal cycle of history. There are bad times, and people eventually learn from them, and create good times, and the people who grow up in good times are weak and don't really believe the bad times can return, so the bad times return, and the bad times at least make people tough and sometimes get them to pull together, and then they create good times.

Sometimes that cycle breaks down—usually because the bad times make people meaner and more desperate and break them down rather than bring them together, and then you get dark ages. Other times, the good times last for a few generations, not completely destroying the virtue of the people and their leaders immediately, for reasons I've touched on in the past and will discuss more in the future (you can read Machiavelli in *Discourses on Livy* if you need a fix now).

While this is the normal cycle of history, and it may be usually yawn-inducing, if tragic to those caught in it, we are unfortunately also at a point where we've done so much damage to our ecosystem that we're in the middle of a great die-off. We also have climate change which, I suspect, is now not just beyond stopping, but which has reached an exponential, self-reinforcing period of its growth.

On the bright side (sort of), the technology which let us dig this hole gives us a better chance of digging ourselves out, but only a chance.

This is where we are at, and the hysterical reaction of many to Trump and to Brexit is a bad sign, because it hasn't even begun to get really bad yet. It is going to get so much worse than this that people will look back to the reign of Trump as good times.

This is what we sowed, it is what we are going to reap, and it is what we are going to have to eat. It's just that simple.

None of this means there is no hope. Some stuff will work out startlingly well, as was the case with the US and FDR in the 30s. Some stuff will be far worse than any but the most

realistic thinkers are willing to contemplate, and in the middle of this it will still be possible for many to be happy, to find love, and to live satisfying lives, just as it was during the Great Depression and World War II.

It's a weird metaphysical question, "Could this have been stopped?" and I'll leave it aside for now. If we believe in free will, and if we want to have some hope that the future won't follow the same pattern until we drive ourselves extinct, let us hope that it could have been stopped, not for what it says about the past, but what it says about the future, and about humans.

I'll write more soon about our current period, best called The Twilight of Neoliberalism. For now, gird your loins. There will be ups and downs, but basically, it's going to get worse. Find the happiness you can in the middle of it, and don't let your happiness or well-being rest on geopolitical events you cannot control as an individual.

Commentary on “The Death of Capitalism”

This article also questions whether democracy will survive, having failed to manage capitalism, and being seen to have failed.

We're staring catastrophe in the face both because Neoliberalism failed to keep its promises, and because of demographic changes. The Boomers were able to keep power for a long time, longer than usual, thanks to medical advances that allow rich men and women in their seventies to stay active and sharp.

But their time is almost done. Generational change is coming. The system more or less worked for Boomers. It hasn't worked so well for Xers; worked even less well for Millennials, and looks likely to be even more terrible for Generation Z (awful name that.)

So the people taking over tend to have a lot less faith in the system.

We have three likely outcomes possible for the developed world.

The first is a continuation of sorts: a dystopian surveillance society which is horribly repressive but where no one can rebel because they are watched (and listened to) 24/7. Kept atomized, resistance fizzles and current elites continue on. This is more or less the future our elites want.

The second possibility is right wing populist authoritarianism. Trump or Le Pen, but rather more competent. 'Nough said, I think everyone understands what this will look like.

The third possibility is a resurgence of the populist left. You have seen this in Britain with Corbyn and in America with Sanders.

It should be understood that these outcomes are national level. In other words, most likely some countries will do each of these just as in the early 20th century the world split into democratic, fascist and communist blocs.

Then they went to war and cold war to determine who would survive. That was

answered when the USSR fell.

But history, history never ends, and anyone who tells you otherwise is a moron.
(Well, unless they're predicting our extinction, sadly not a trivial risk.)

So understand, and understand clearly, that the sureties are at risk. Neither capitalism nor democracy are guaranteed to survive this crisis. Indeed, it is quite likely one or both won't.

The Death of Capitalism

Let us state the obvious.

Capitalism has failed.

It has failed because it failed to deal with climate change. This was a foreseeable, and foreseen disaster. We knew it, without any reasonable doubt, by the late 70s. If we had acted then, we could have stopped the worst of it.

We did not.

The death count will be in excess of a billion people. I think, given the way that damage counts keep coming in above prior estimates, and given how vicious cycles act, that the death count will be in the billions.

It is not inconceivable that we could see the end of human, and higher, life, on Earth, though it is still unlikely.

We are in the middle of a Great Extinction. Each life-form which dies off takes genetic wealth with it and weakens the ecosystem. Ecosystem collapse has happened in the past in limited regions, it can happen globally.

If it does, we may need to bend over and kiss our asses, lives, and species goodbye.

Capitalism's great claim to being a superior form of organization for production and distribution of goods and services is that it is best able to account for costs and benefits: It produces that for which people are willing and able to pay.

People weren't willing and/or able to pay to stop climate change. In part, this is because actors with money were able to obfuscate both the science and the situation, spending millions on doing so, and buying the political process. In part, it is because climate change's worst effects were expected to take place AFTER the death of the people who needed to act to stop it.

If you were 30 in 1980, you are 66 today. If you were 40, you are 76. If you were in the decision making class, overwhelmingly allocated to those who were 50+ in 1980, you

are 86 today.

People who were in their prime and during their decision-making days, when we needed to act on climate change, were making a DEATH BET.

They bet they would be dead before the worst results of climate change happened.

They will win this bet.

This was a RATIONAL thing for them to do. I want to repeat that, because too many people think "rational=good." It does not. It was rational for them to discount a future they would not see.

Note also that they did not prioritize their children and grandchildren's well-being over their own. This, also, is RATIONAL. How your children do after you are dead has only an imaginary effect on your well-being. (For instance, if you think they'll be ok, that's enough. And that's an easy enough thing of which to convince yourself.)

Our capitalist markets did not discount the future properly. Capitalistic accumulation, which gave certain corporations and individuals excess rewards, and thus power, also made it easier for them to capsize the democratic process.

This does not mean that capitalism is entirely to blame, not directly. In 1980, the US was not yet an oligarchy. At that point, it took a mass movement, a constituency, to decide: "Fuck all that environmentalism and conservation crap."

That movement was headlined by Reagan and presaged by Thatcher in Britain. Reagan won because of the so-called "Reagan Democrats," who abandoned the post-war Democratic coalition to vote Republican. They were substantially and primarily SUBURBAN voters. The suburbs, now, but especially then, would have been hammered by properly done environmental and conservation changes, as they were massively energy inefficient. You do not get a generation and a half of suburban housing prices rising faster than wages and inflation in such a world. (You do get better wages, as there is more real work to be done.)

As time went by, the advantages that Reagan put into play disproportionately (and vastly so) benefited a small number of Americans, and America became an oligarchy. You can date America's descent to oligarchy somewhere between Gore v. Bush (2001) and Citizen's United in January, 2010. Personally, I would pick the passage of TARP, done in the face of phone calls in excess of one hundred to one against: 2008.

Capitalism has thus, in the span of less than five decades, ensured that there will be

billions of deaths and has bought-out the popular sovereignty system of representational democracy.

Despite triumphalism, it is also true that we have had the ability to end hunger and famines for decades and have not done so. Serious poverty in Africa has dropped as a percentage, but risen in absolute numbers. In the past 30 years, the average amount of calories consumed in India has dropped. China has industrialized, but studies show that those who remained in traditional villages are happier.

It is very easy to look at what has been achieved under capitalism and cheer. Vast growth, vast increases in food production, and so on. One can argue how much was driven by capitalism, how much by democracy, how much by government bureaucracy, and how much by industrialization, but the last 200 years have seen massive accomplishments.

Those who die in the next 100 years will not be so sanguine about the costs, however, as they will be the ones to bear them. Those who do not die, but suffer and see their loved ones die, are unlikely to forgive.

They WILL be looking for an alternative to capitalism, because it will be clear to them: The cost of capitalism is too high. Especially if we skirt species extinction in a visible way.

There is no “end of history” minus an end to sentient life. There never will be.

The world keeps changing, capitalism and democracy were never going to be the last systems, and it is now obvious and visible that they are unlikely to be.

It is possible that one or the other might survive, in a modified form, but only if it casts blame on the other.

This doesn't mean markets won't survive. Markets have been with us for thousands of years, but markets as the prime distribution and production mechanism for the majority of the population have not.

The Death of Capitalism, and possibly the Death of Representational Democracy, are nigh. If you are young, you will see one or both. You may even if you are middle-aged.

(This is part 1 of a semi-series. Read part 2 on [“What Capitalism”](#) is and part 3 on [“Did the Industrial Revolution Require Clearances, Genocide and Imperialism,”](#) and part 4, [“How The Rational Irrationality of Capitalism Is Destroying the World”](#).)

New Article:

“On Designing a Fair, Kind and Prosperous Society”

This is the first of two new essays, found only in this collection. In one sense, a lot of this isn't new, but in a more important sense it is, because I have never put these principles together in one article before. Unlike the article on how to run a real left-wing government, this is far more high level and doesn't assume a world run by neoliberalism with the intent of making it as difficult as possible to run a kind government.

We need, after all, to know what we're aiming for: what the city on the hill looks like.

How to Design a Fair, Kind and Prosperous Society

This is hard to do, as is clear because so few societies have ever managed it, and even fewer have been able to make a good society last for very long.

It isn't impossible. Within the limitations of our understanding and technology good societies have existed in the past. The first 150 years of the Han dynasty in China; the Sung dynasty, and the post-WWII period of prosperity, among others qualify, though none were perfect. Many "barbarian" societies appear to have been quite good to live in as well and in particular many (such as the Celts and Anglo-Saxons) treated women better than the societies which succeeded them.)

For all that the technology of the industrial age and our stupidity in how we have exploited it has brought us to the brink of catastrophe our vastly expanded knowledge and capabilities make much better societies possible.

It is up to us to create good societies, so let's consider the principles they should be based on. I have given them from most important to least, but all are important and skipping any will reduce the time the society will be able to stay good.

1) The Rich and Powerful Must Not Be Able to Opt Out of Anything Which Matters

Why is airport security in most countries hell, especially since research has shown it is almost entirely ineffective?

Because rich and powerful people don't go through it.

They travel on private jets, or if they are only somewhat rich or moderately powerful, they might travel first class. In the case of private jets they avoid airport security; in the case of traveling first class they go through a much milder version.

Have you noticed that when a country's medical system is bad, the rich and powerful still get good health care? If necessary, they fly to another country.

My father, who disliked abortion, and grew up when abortion was essentially illegal

in Canada, supported legalization.

I asked him why. He said, "Because when I was young, I saw the rich women were able to travel and get abortions anyway, while the poor ones couldn't, or had to get some quack to give them a dangerous abortion."

For many years, Finland was often ranked as having the best education system in the world. When asked how they created it, one of the designers said that he wasn't sure, because they weren't trying to have the best system in the world: They were trying to create a system where everyone was treated equally.

There will always be people who have more power (money is power) in a society. Those decision makers, whether government or private (consider the relative level of power of Jeff Bezos, CEO of Amazon, vs. your average US Senator), will always care more about themselves and their friends and family than they will about people they don't know.

So, for anything that matters, such as medical care, education, travel, food, or military service (this is not an exclusive list), they must not be able to avoid the experience of ordinary people.

Jared Diamond wrote a long book on societal collapse, and his conclusion was that it happened when elites did not experience the consequences of their actions. Nassim Taleb has popularized this idea, though mainly to the downside, with his "Skin in the Game," but it's not a new idea. Various people have noted this issue for thousands of years, certainly back to the Ancient Greeks.

This is THE most important rule, by far. Money or power must NOT be able to obtain better healthcare, healthier food, better education, avoidance of military service or anything else that matters.

In any case where elites can avoid the downsides of their decisions, they will not serve the public.

They must prosper when the public prospers and suffer when the public suffers, and there must be no significant exceptions.

2) Keep the Rich Poor and Powerful Weak

This is a corollary of the first rule. If elites become too powerful, they will start avoiding the downsides of their decisions and the common experience of the people. It will happen—it

cannot be avoided.

So, you must keep them poor. I would suggest wealth taxes, capital gains taxes and high marginal tax rates along with punitive estate taxes. There should be NO exceptions to these taxes. Set them relatively high. A reasonable rate would be to set the top marginal rate at 90.% for anyone earning more than 10x the median income, and 95% at 20x the median income, and then every year to increase that initial amount by the average of the median and the income of the bottom 5% of society, so no one is left behind.

There must be no carve outs on this. No "capital gains are taxed less" or "unrealized capital gains aren't taxed" or huge tax deductions.

As for power, remember simply the American founders admonition that standing armies (and police are standing armed forces) are dangerous to liberty.

Remember also that Jefferson labeled banks as a great threat. Those who can create money, whether bankers, brokers, or otherwise, have great power. Fail to curb that, and you will reap Great Depressions and massive financial crises. Those who can create money, if not controlled, will eventually have enough money, in addition, to buy your politicians and thus your government.

3) Get Straight on Duty to Society, Individual and Family

Those who have an office, whether it is private or public, must not allow the interests of themselves, their family, or friends to influence their duty.

If someone cannot do their duty, as defined by their office or job, without being influenced by their interests, they should not have that office. This applies to corporate officers, properly understood because the reason corporations are allowed to exist is to benefit people. If they do not, the government must reform them or shut them down because their primary interest is NOT to shareholders.

This is a hard ethos, to be sure, but when we do our duty to society first, everything else will work. If we don't, nothing else will work. By trusting this to be the case, we will find that our families, friends and selves are taken care of.

4) Daily Life, Including Education, Must Create the Right People

Slaves are not suited to freedom, and we are trained to be slaves. Our education is "sit down, shut up, don't speak unless called on and do what you're told when you're told to."

Then, most of us become employees and do what we're told by bosses, often with almost no autonomy.

You expect a people whose lives are "do what you're told" to act like free women and men?

That's crazy.

Everyday life must support the necessary culture. It must be about duty, responsibility and the ability to make individual choices, including ethical and moral choices. If it emphasizes benefiting at the expense of other people, that is what your society will be like. And any society like that will not be a good place to be, and will not last when bad times come, because the people will not pull together and act for the benefit of all.

5) Exalt the Long Term over the Short

After the Indian Sepoy rebellion was defeated, the British set out to find the cause.

They did not just look at the governor at the time of the rebellion. They looked at the governor before that. They didn't think it had come out of nowhere and only the current leader was to blame. (Obviously, I don't think the British should have been in India, but that's not the point.)

In our society, we act as if problems come out of nowhere. On Wall Street, in the 2000s, executives would say to each other about shitty deals, "I'll be gone, you'll be gone." (IBGYBG).

They knew they wouldn't see the consequences of their actions.

Wall Street executives made millions. Dick Fuld, the CEO of Lehman Brothers, which went bankrupt, cleared over half a billion dollars in the 2000s. He didn't lose that money when Lehman went bankrupt.

No one can be allowed to get rich fast. Everyone must be held responsible for the long term consequences of their decisions. In an operational society, Fuld would have lost all that money. Indeed as I pointed out in "What Can Obama Really Do?", the necessary laws were even in place to allow that money to be taken from Fuld and every other Wall Street Exec.

The executives didn't lose their riches. So they learned to do it again, since there are no serious consequences to them. They get all the upside, none of the downside.

This is, more generally, called moral hazard: someone gets the upside of their actions, but if things go bad they don't suffer the downside. (You'll be noticing avoiding this is the reason for many of these rules, though certainly not all.)

A good society, as the Greeks said, is one in which "old men plant trees in whose shade they will never sit."

6) No One Must Be Destroyed By Failure

The basic safety net must be robust and high. Bankruptcy should be easy, and should leave people with housing and healthcare and without their credit permanently destroyed.

When failure means homelessness or other horrible fates, people will do anything to avoid it, including unethical and illegal actions.

Further, people who are scared don't take risks and do new things, and any society which expects to be good and prosperous in the long term needs people to take those risks, knowing that most will fail. Most startups and new companies fail; most inventions flop.

But a few don't, and you cannot know in advance which ones.

So, you want people to take risks, and to be willing to fail. Many people cannot and will not do so if they know the price of failure is devastation for themselves and their families.

This does not contradict the other rules holding the rich and powerful to account. They should lose their wealth, certainly, they should not the means for a basic good life.

Thus, you must have universal healthcare and a way of making sure people who fail will always have high basics: food, shelter, clothes, and other modern necessities like, for example a phone and a laptop-equivalent.

This includes easy bankruptcy on all debts, with no exceptions (like student loans). People cannot be put in a position to be slaves to debt, to be economically crippled for decades. Lenders as well as debtors have responsibilities, and lenders who consistently lend to the wrong people SHOULD lose their money and be replaced by lenders who make better decisions.

Failure is fine; devastation is not. By taking devastation off the table, you allow people to create the new ideas, things and institutions which are necessary for a flourishing society.

7) Government Must Be in a Position to Reap Positive Externalities and Must Encourage Them

One of the simplest rules for what government should do is, "All those things which are good for society, but which the private sector cannot or should not do."

The British Museum brings in billions of dollars to the London and British Economy, but receives almost none of that money. Most of it goes to restaurants and hotels, but without the British Museum, they could not make that money.

This is a positive externality: the British Museum is actually creating the business, but cannot make the profits from it.

The current trend of huge price increases in medicines has many causes, but one of them is that pharma companies do not receive the positive externalities of good health. The government does, because people who are healthy contribute far more to society and sick people are a drain on society. Government taxes in general (not taxes on pharma) mean that the government benefits from medicines.

Another example is education. Good education means that the future economy will be a lot better. The problem is that it's hard to know who will win; who will be most productive. Government doesn't care. Some will, and they will tax them. (Lambda school, which teaches programmers, does this privately by taking a share of future income, but that's a bad idea for primary education for a variety of reasons, and hard to do for types of education which have great social benefit, like the humanities, but not a lot of income upside.)

In order to reap positive externalities government must have the high tax rates noted above. If the tax rate is, say 10%, then any positive externality must create 10x that value for the government to recoup their investment.

If they tax 50% it must only earn twice what it costs.

Because tax rates are higher on those with higher incomes and more wealth, the government does not need to know who wins, whoever wins will pay.

This applies to a vast swathe of public services from sewage, to walkable sidewalks, to mitigating climate change and, in particular, to basic scientific and technological research.

The government should, even must, pay for these things, because the government

can recoup the cost easily and can provide these services at near cost because it knows it will reap the positive externalities. No one else can, and when they try, as with Pharma in the United States, it creates terrible problems like life-saving drugs being too expensive for sick people.

8) Public Goods Must Be Publicly Provided or Regulated

The rule here is that if a good is highly differentiated (there are many different types of food, for example, and we don't all want to eat the same thing), it should be provided by public actors who are highly regulated. If the good or service is something that is virtually the same for everyone (health care, depending on what's wrong with you) then it should be mostly under the control of the government, and primarily provided by the government.

If it is truly universal and uniform, just have the government do it and have auditors crawl all over them.

If it is somewhat differentiated, the rule is that the government should always do some of it—no less than 20%, no more than 60% or so. The rest should be done by contractors, with a proportion of the smallest always being rotated to see if they can do it better.

By being in the business, the government knows what it actually costs. Yes, the government version will probably cost a bit more and that is OK. But it shouldn't cost much more—a few percent. Governments with no external expertise can be taken for a ride by private contractors.

The private contractors, of which there should always be several, act as a check on government prices and efficiency, and allow additional possibilities for innovation in provision. A contractor who maintains standards and cuts costs or improves products should be rewarded, and its methods should be incorporated by government.

9) People Have Privacy, Governments and Institutions Do Not

Surveillance destroys originality and freedom. It is that simple. People who know they are watched conform to avoid censure. To conform successfully, the required behavior must become habit, habit eventually becomes character, and whatever we are like, we justify as right.

Widespread surveillance thus makes people too much alike, and since originality

and creativity require diversity of thought, opinion and emotion, they are destroyed.

People should be free of surveillance. Government should not surveil, because government is acting for the people. People should always be able to know what government is doing and there must be a hard limit on how much can be classified, and how long it can be classified for. I would suggest 20 years, with the possibility of one 10 year extension, with no extensions beyond this. All public documents must be released after this.

Meantime, corporations must not be allowed to track anyone who is not their employee, and there must be sharp limits on how much surveillance they can do of individuals. The nearly second-by-second surveillance used in places like Amazon warehouses must be made illegal.

The government must not be allowed to surveil anyone without a warrant, and those warrants must have a hard limit on the time they can be in place. Five years is a good number. Once that time limit expires, the government MUST release to the person all information about the surveillance, and the person must be able to sue the government if the surveillance was unwarranted.

Likewise, all surveillance must have a date at which it is expunged. I would suggest five years, again, with one possible extension, requiring a judge's approval. Corporate and private surveillance must be expunged much more often.

No society can be free or innovative if it has a lot of surveillance.

10) People Must Not Be Able To Sign Away Their Freedom

This is a catch-all for things like "no contracts of adhesion (EULAs)", "no non-competes", "no binding arbitration which removes people's ability to access the court system" and "no compulsory agreements which remove people's right to own or repair their tools and goods."

There are always actors with too much power, even in a system which tries to avoid them. As such, people must not be able to give away their freedom, under any circumstances. No one must be able to strip individuals of their ability to control themselves and the tools they require for their livelihood.

11) Leaders Must Adjust Frequently

No system is stable without adjustment. The principles stay the same, but over time some groups or individuals will strive to break them, to gain an unfair persistent advantage.

Some of those people will succeed, and when they succeed, their unfair advantage must be taken away from them.

This, in a sense recapitulates the "keep the rich poor and the powerful weak" rule, but the emphasis is important: We have to stay on top of them. A good system doesn't have millions of persnickety rules. It has principles and it enforces those principles. When people do an end run around those principles, it cracks down on them.

New technologies, new forms of organization, and new scams will always arise.

It is your duty, as anyone with public or private power, to deal with them effectively. Those who create something new and beneficial should benefit from doing so, to be sure, but they must not ever be allowed to become so powerful they can corrupt government or the people.

Concluding Remarks

No article can deal with every issue or principle. But combined with the other articles in this book about underlying principles and the 44-changes article, these rules should go a long way towards allowing us to know how to create a good society. No society will ever reach this ideal, but every society can strive towards it, and members of societies can use these guidelines to know where they should be headed.

And, again, there will always be issues left out. That is why those who come after any great sage whose ideas are adopted (not that I am such) always bear responsibility for preserving the good in any formulation, and improving it where it is deficient, either in origin or in dealing with new circumstances.

New Article:

“How to Evaluate Your Personal Risk in the Events to Come”

I write a lot about the disasters to come. People naturally want to at least some advice on “what should I do.” So this article is an attempt at answering that question, without veering far into areas (like prepping and survivalism) that I am not an expert in.

May it be of use to you and yours.

How to Evaluate Your Personal Risk in the Events to Come

You are a person who lives in a country, a place in that country, and in a specific social position.

Evaluating your position, physically and socially, is how you evaluate your risk.

Some risks are global, there isn't much you can do about those. However, a lot of political, economic, climate and ecological risk is based on where you live and who you are in your society. Think a little bit about the Great Depression and World War II, and how different people had different fates depending on where they were.

Or think about the conquest of the Americas by Europeans. It was bad for all natives, but native tribes on the East coast are mostly extinct.

In times of catastrophe, the old crack about how what's important in real-estate applies.

Location, location and location.

Water

There are regions where most of the population is going to have to leave because there will not be enough water. Most of the South Western USA, for example.

First find out where your drinking water comes from. Most of it is pulled from lakes, rivers and groundwater (aquifers). You need to know the specifics for your location.

Lack of water kills far faster than lack of food. Most people can go 30 days or even more without food. A few days without water, and you're done.

We have vastly over-pumped aquifers, and they take a long time to re-charge (plus we've collapsed plenty of them.) In addition we are poisoning them, often with fracking.

As for rivers and lakes, find out where their water comes from. Some is from groundwater discharge, but often the water is from snowpack run-off and glaciers.

There will be less snow in the future. Most glaciers are rapidly retreating, and, for example, in the US 48 states, it is expected all glaciers will melt completely.

Desalinization is possible, but it's still expensive, and without great works, it is limited to the coast. You can look at a map and tell if it's likely possible to take water inland: the answer is often no, because of mountains and hills near the coast.

This is also a political analysis: is your government effectively handling water? Will it in the future? Expecting the Indian government to be competent, for example, is borderline insane. Even if it's theoretically possible to fix a particular water shortage, will your government do so?

Once you've got a handle on the water situation, you can figure out whether or not where you live will have enough water in the future to support its population. If it doesn't, you may have to move and you're going to want to move before the big migration starts, people panic and real-estate prices flop.

Perhaps you can come up with a solution which will allow you stay in place: there will be some water, not enough for everyone, but be sure you can have enough for you and your dependents and that others won't take that water.

If you're in an industry which needs water, like agriculture, take that into account. Entire regions in India, China and the US, among various others are going to either stop being agriculturally viable because of lack of water (there has been vast over-pumping of aquifers) or will need to switch to crops which need far less water.

Plan for this. Look at ground cover vegetation and what will happen during climate change as well. Will the plants holding soil in place survive the new climate and with less water?

Rainfall is the trickiest thing to figure out. There will be vast disruption of rainfall patterns. I am particularly concerned with the monsoons in India, but the disruption will happen worldwide. Undoubtedly some regions will receive more water, not less.

Because it's difficult to tell, I suggest reading scientific literature and government report, and evaluating risk in the sense "if the rain pattern was to change for much less or more what would that mean?"

Monsoon failure, if repeated, for example, would quickly lead to famine.

Water will probably be the most important resource in the world when environmental and ecological collapse happens. Treat it as such.

Evaluate Political Risk

Jews, socialists, gays, gypsies and so on who evaluated Germany's political risk correctly in the 30s and left survived. Those who didn't, usually died.

It is that simple. There is a lot of blather about "I'm staying and fighting, I'm not a coward," and so on, but these claims are often foolish. When a government with control over organized violence decides to liquidate you or even just put you in a camp or take all your stuff they will do so, and your "fighting" is unlikely to stop them.

There is a place and time for "fighting", there is also a place and time for running, or at least sending your children out of the country.

Political risk has a great deal to do with your social position. A friend of mine's father was a senior executive in Siemens, a huge German industrial conglomerate. He was anti-Nazi. He survived. (The Nazis said they'd deal with him "after the war", fortunately for him, the Nazis lost.)

If he had not had that position, and been well liked and supported by other senior executives, or he had been Jewish, he'd have died and so would have his family.

You need to always know who the scapegoats will be. Is there a lot of prejudice towards "your sort?" Bad sign.

Worse, if there a lot of prejudice, plus many of your sort are known to have money, well, you're on the chopping block. Even if they don't kill you, they know they can take your stuff.

If you decide this is a serious risk, you have two options: flee or assimilate. There are vast numbers of people whose ancestors were Jewish who converted to another religion to avoid persecution and possibly death.

Perhaps you'd rather die than give up your identity. Up to you. But choose. And remember you may be choosing for your family, including your children. Is it worth it?

Of course, some identities can't be avoided. If the scapegoats are people with unconcealable physical characteristics, well, you're going to have to flee.

The above is the sort of risk you get when governments are strong and go bad. The second type of political risk is the risk of governmental collapse: of loss of law and order.

A country can have a bimodal possible path. There is both reason to fear the US going to some form of fascism, and to fear America might collapse, for example.

The measures for dealing with societal collapse are the main feature of this article, so I won't go into them in detail here. But do look coldly and calculatingly at your country and see if it might collapse and if it does, what that will look like.

Finally, since one possible (and indeed likely) scenario for many countries are dystopian surveillance states, start watching what you and people you care about are doing and saying now. This stuff will all be stored, and when politics change, can be used against you.

Scary? Yeah. But if you want to survive, you'll have to decide what you're willing to do.

Evaluate existential risk other than water (supply chains)

This is the standard survivalist checklist. Leaving violence aside, people die if they don't drink for too long, if they don't eat for too long, if they get too hot or too cold.

There's an entire community around survivalism and prepping and I'm not an expert, so I'm not going to try and play one. What I want to point out is that if there is a huge food crisis because of environmental issue, that even if you are nowhere near it, it may disrupt supply chains OR increase prices massively. In either case, you need to have a store of food, and perhaps a plan for getting more.

All scenarios offer the possibility of loss of electricity, gas and oil. If that happens, can you survive? A power out in the middle of winter could kill you. In really hot places, if there is no AC, will you be ok?

How stressed is your power grid? How likely is a big weather event to bring it down? What about political collapse? Will all that infrastructure keep running? What will you do?

Then there is the issue of concealment. Let us say you have been a good prepper, and you have power and water and food when other people don't have it.

Can you either make sure people don't know, so they don't come and take it (they

may ask at first, but you won't have enough to share with everyone); or are you in some way protected?

Perhaps, if there's a big power outage, you shouldn't use lights at night if other people can see them, for example.

These problems are difficult. The key is to know you are at risk, then take steps now, not when it is too late.

Evaluate medical risk

One of my best friends is a UCLA fellow in psychiatry. One day when we were talking he started ranting about doctors who give out psychoactive drugs with short durations, and small repeating prescriptions.

"Given how vulnerable the supply chains are, this is medical malpractice."

When Puerto Rico was hit by a hurricane, for weeks afterwards there was a shortage of IV bags in the US: turns out the factory that made most of them was in Puerto Rico.

In any reasonable collapse scenario there will be shortages, because we have very tight supply chains (just in time) with minimal supplies kept in warehouses, and where most production is concentrated in a few places.

If one of those places gets hit, or the supply chain is otherwise disrupted, we are in for a world of hurt.

Now people tend to concentrate on food and whatnot, but I want you think about medicine.

Are you on a medicine without which you are in trouble, or possibly even dead? Are you on a medicine with terrible withdrawal symptoms?

A lot of modern psychiatric drugs have withdrawals that are at least as bad as withdrawing from heroin. Don't kid yourself about this, go online and find out what involuntary withdrawal is like.

Then find out what a titrated gradual withdrawal is like. Try to arrange with your doctor to always have a supply of drugs sufficient for a managed withdrawal.

Some important medicines, especially older ones like basic antibiotics and sulfa drugs and pain killers, are possible to make at home with basic kitchen gear.

That's often illegal. In a time of collapse, if your life is forfeit otherwise, you may not care.

But you need to find out how to do it now (and even that has risk, since even looking up how to make certain medicines may be frowned on, so be careful).

Short story long. Evaluate what medicines you will need in the case of collapse. What medicines and drugs where a disruption of your supply will have severe consequences. Do it for your dependents too. Don't assume your drug supply is assured.

Evaluate Relationship to Violent Groups

The survivalist Dean Ing, back in the 70s, moved to a rural American town with a military base.

He then made it a priority to always be close personal friends with two people: the police chief and the base commander.

Do organized violent groups, of which the army and the police are usually foremost, like you? Make sure they do, or at the very least that they don't hate you. If you can't, take that into account. The best way to deal with organized violence is to hide, not fight, unless you have organized violent friends.

Do carefully look at other potential groups: militias, tribes, gun clubs, hunters who always hunt together and so on. Check your relationship with them, as well. Often you won't have one, but having a good relationship could save your life and the lives of everyone you care about.

Prepper communities often tend to concentrate on your personal violent skills and possessions. That's fine, as far as it goes. No harm in knowing how to fight and being equipped to do so if your situation and ethics allow it, but understand clearly, almost no one is actually Rambo. If you get on the wrong side of an organized violent group, your preparations are unlikely to make you more than a speed bump.

A lot of people don't like cops or the military or people with guns in general. That's fine, but make a choice about how important survival is to you.

Evaluate Relationship to Non-Violent Organized Groups

When it all goes to hell, who often takes over?

Churches and civic associations. They're used to working together. They have leadership. They have strong social ties. They may even have building and other resources.

Often they are capable of quickly ramping up into organized violent groups for self-protection and at least some members will probably have good ties to the police, military or other organized violent groups.

If you belong to one or more of these and are well liked and respected, your odds of survival go up immensely. You will help others, they will help you, and your chances are way better than somebody trying to survive alone.

Evaluate Friends and Family

The people who will survive best are those whom the most other people want to survive. If you are well loved, respected or both, your odds of surviving go up exponentially. Make friends, be on good terms with your family. Be on good enough terms that they would let you live with them in a crisis and would share food and so on. Be like that for them.

In bad times, love and friendship will drag you thru more than perhaps everything else. You get love and friendship by offering it. Oh, there are details, but that's the essence.

This will also improve your life in almost every other way.

If, on the other hand, you have few friends and an estranged family (and remember that local friends matter most, then friends somewhere else who would take you in), well, you're on your own.

And that means you're probably dead. (I say this as a near hermit myself, with few local friends.)

Evaluate Your Ability to Relocate

Tales of martial arts masters who tell their students the best way to survive a fight is to run are common.

There's trouble where you are. Somewhere else has less trouble. Perhaps the best way to survive is to leave.

Better yet, you anticipate trouble and leave for a place which will have less trouble, before things go bad.

So sit down and think carefully about how you would leave if you had to do it this

second. How much could you take with you? Is there anywhere for you to go where you won't be a refugee in a camp or tent?

Perhaps set up with a friend somewhere else an exchange: they can come to you if their region goes pear shaped, you can go to them. Do it before things go bad, so it's an even exchange.

If there was a general panic, with roads clogged, are you sure you can get out? Are you ready to walk?

Make plans for different scenarios, get the necessary resources and skills now, and if at all possible practice. This can just mean packing the car with what you'd take and doing it till you can get it down as fast as possible — perhaps half an hour at most. After all, if in a crisis, you move first, you may beat the traffic jams.

Again this is something the survivalist and prepper community is good at. Do your research and practice before things go bad. Preparation will make all the difference, both where you are now, and where you expect to land.

Evaluate ability to stay in place (including concealment)

We've already covered this, in dealing with water, food, heat and cold, violence, friends and so on. But put all those factors together and consider whether you can survive by just staying where you are. Remember always concealment of your resources.

Consider also tradeables. If you have supplies of medicines, cigarettes or other things people want you'll be able to trade for much of what you want. But the more people think you have, the more likely someone is to decide that taking it is better than trading. So always act as if you have little, and pay attention to protecting yourself and your dependents.

The best way to survive violence is to not engage in it. If people don't know you're even there, if your place doesn't look worth looting (or too dangerous to try), that's far better than ever fighting.

And if others care enough about you to defend or avenge you, and if this is known, well you're in an even better position.

Wrap It Up and Look For Other Factors

Surely I have left out factors that matter. Look for them. Read books and articles, make the knowledge your own by engaging with it and working thru your plans and scenarios.

Then synthesize. Can you stay in place? Can you move? Have you practiced moving or any skills you will need? Are you well liked in your local community, with ties to organized groups, especially violent ones and will people help you if you need it?

Is there are predictable problem you can get ahead of by preparing or moving before it becomes bad? Do you know what your triggers for moving or taking other measures are, so you minimize your chances of being caught by surprise?

The more you know what your abilities and options are. The more you understand your social position, the politics of your country and location and your personal vulnerabilities, the more likely you are to survive.

Again, and as an ending note: the best way to deal with problems is to not be there when they arrive. The second best is to be prepared for them. Try not to be in a position where you have to make your plans when the catastrophe happens, without any pre-thought, or resources beyond what you happen to have for daily life.

And if and when it's necessary to run, don't be like those who stay too long anywhere. Leave!

**Commentary on
“The Philosophy of Decline and Collapse”**

A lot of these articles have been less than optimistic about the near to mid-term future and the cumulative load may well have been depressing.

The problem is that what has been presented isn't pessimistic.

It's realistic.

Faced with the realistic prospect of really bad times ahead, people tend to get depressed and anxious.

That's normal.

But we still need to function; to do, to make choices and take action in bad times. Our ancestors did, during great wars and famines and plagues.

We can too. Heck, we can even enjoy ourselves. Just because the world is going to hell doesn't mean we have to let it control our moods and lives completely.

(I get more e-mail thanking me for this article than for every other article I've written combined. Even the one that saved some people from the financial collapse.)

The Philosophy of Decline and Collapse

For those who think ahead, for those who are empathetic, for those who work for justice or kindness, the world can be a horrible place.

We look around and we see the decline of nations. We see people dying, being tortured, being raped who need not die or suffer. We look to the environment and we see that species are being killed so fast we're in the middle of a great die-off; or we look to the biosphere and the oxygen cycle and we worry that we could see a collapse of both.

We know that much of the suffering in the world is needless; that there is more than enough food to feed everyone, that many wars are wars of choice which hurt many to enrich a very few, and we know that many who brutalize others are receiving no security or even money in return. We look at how prisoners are treated in jail, and we know that the primitive lust for vengeance is creating monsters for we understand the cycle of abuse: Those who are abused, become abusers.

We see the rise of a surveillance state that may eventually cause the Stasi to look like amateurs and which is already more sophisticated than anything Orwell imagined. We see that the masses of the people in the developed world are being impoverished, generation after generation. And worse, we see our own efforts at stopping all of this fail. We worry that our efforts are not even slowing the worst of it.

And for many of us it hits home closer. We, or our loved ones, are among those suffering: losing our lives, homes, livelihoods, or living lives of despair.

For years, I lived in a state of rage. Not even anger, but rage. Rage at those like Bush and Blair who were mass murderers. Rage at those who did not stop them but could have. Rage at those who believed all the lies, whether those lies were about economics, war, or crime.

I see many who come to my blog, a place where scenarios are explored which are

both bleak, and often, very likely, giving into despair or rage themselves. The world is big, the powers that are leading it to ruin are overwhelming, and we look out on a future which seems to get worse and worse the further ahead of us it is. Even countries now on the rise, like China, will suffer massively in the decades to come.

It is perfectly natural to be angry. It is even useful to be angry. Anger or rage are adrenaline shots to the system. They push you to do what must be done; to tell the truth; to push ahead, to tackle the big enemies.

But they are toxic in the long run. Like adrenaline, they are useful for shots of energy, but if you are angry all the time at anything, it will hurt your body and eventually your mind. You will burn out, and if you aren't lucky, you may burn out permanently or you may die.

Despair is also rational. I am aware of studies which show that depression is about 10X more frequent today than it was about a century ago, based on methodology I find reasonable. Life today sucks. We are almost all close to powerless in our daily lives: We work for wages, without those wages we will suffer greatly, and to get those wages we must do what our bosses say, no matter how noxious their demands. It takes two people to earn a living where it once took one, and wealth and income are collapsing in the first and most of the third world ex-China; while the Chinese are under the immense pressure that industrialization produces.

Anger gets us going, until we burn out. Despair enervates us. We turn often to drugs, whether pharmaceutical or to more subtle opiates like television or computer games. Too often we do not change our circumstances: We see no way out, and *en masse* we aren't necessarily wrong. Leave one job, and even if you find another, it will be run by the same sort of people who run almost all of Western business, outside of a few European countries.

All of this is understandable. In a certain sense it is even rational.

But a hot cup of chocolate on a frosty night is still sweet.

As bad as things are, so much of the world is as it always has been. The still contentment of sitting with one you love, saying nothing is still available. The sunset is still beautiful, and if there are fewer birds, their trills still delight.

The flowers are as beautiful, the russet and scarlet leaves of fall still adorn the trees,

and a clean drink of water still refreshes. Children playing still bring a smile to my face, and I still enjoy pulling a comforter up and cracking open a new book. There are still beautiful women and handsome men, there is still kindness and charity in the world; there is still art to make and books to write and songs to sing.

In a myriad of ways, there is still beauty and happiness to be found in the world. We are not the first culture to face decline. The Roman Empire went through multiple periods of decline and stoics and epicureans debated how to live the good life in an evil world. The Chinese practically had dealing with declining and corrupt imperial eras and warring states periods down to an art: When no good could be done in the world, one returned to one's private life to write poetry, drink wine, and care for those close to one while refusing as much as possible to be complicit in the evil of the times.

Others strove still to be of public service, to hold off the rush of night for a few more years, or even a generation, knowing that what came after would be worse.

But I say to you now this: Endless anger or despair, or a mixture of both do you no good. Soon, they do your enemies no harm (and yes, they are enemies) and they serve not your chosen cause unless you're willing to risk permanent burn-out.

And besides, where's the fun in being miserable? No matter how bad the times, there will always be good periods, moments and beauty and happiness in which to delight. The wine is as sweet in evil times as good; love is perhaps even sweeter in times of despair; and beauty never dies and can always be found, if only, sometimes, in our own minds.

It's banal to say we're here for a short time, but it's true. Fight the good fight, to be sure, but then delight in the sensual pleasures and love this world offers.

And give yourself permission to quit. There are seven billion people in the world. It's not all on you. The graveyards are full of essential men: The world will continue without you, and it's not all on you. Take the breaks you need, even quit if you must. Above all, don't let the bastards see you sweat, and don't let them take away your enjoyment of the real pleasures that life offers.

**Commentary on
“Let Us Speak of Hope for the Future”**

It has been a long journey, but we're almost at the end. In the last piece, we talked about how to handle, psychologically, the prospect and reality of disaster and likely collapse.

But the future isn't hopeless. To be certain, there will be disasters and there will be societies that collapse under them. I think this is so close to unavoidable it might as well be treated as such.

But in catastrophe there is also the possibility, even the likelihood of real change, and change for the better.

It is up to us to make sure that the new societies which come out of the end of this era are better societies, and there are good reasons to believe that they can and even will be.

There is cause for hope.

Let Us Speak of Hope for the Future

I am on the record as having very little use for hope. Barack Obama's campaign cemented my view, with lots of talk of "hope and change," centered around a politics which was going to be neoliberal centrist at best. And that's what it was.

Hope, like optimism and pessimism, is not realism. I am hopeful when there is reason to be hopeful, and not when there isn't reason to be hopeful.

Regular readers know my baseline scenario: We are in for a world of hurt, having failed to deal with climate change until beyond the point of no return. This is added to the radical mismanagement of the economy due to neoliberalism, ecosphere collapse, radical depletion of aquifers, and so on. Technology is enabling (and already has created much of) a radical dystopic panopticon such as the world has never seen.

Nonetheless, I see reasons for hope. Oh, sure, a billion or more, way more, deaths are baked into the cake. They're going to happen, the only question is how large the number.

But neoliberalism is dying.

I will state that in ten to fifteen years, maximum, almost no states will still be running based on neoliberal policies or ruled by neoliberal parties.

Neoliberalism has failed, and it is seen to have failed, by the younger generations and even much of the older ones. As demographics shift, as the old die and retire, neoliberalism will no longer be viable.

The future belongs to the populist right and left, and to those who are willing to stomp the boot hard. Yes, there's been boot stomping already, but, in the first world, it has been mild compared to what will be needed to maintain control.

Humans are a wasting asset. As we move to autonomous fighting robots and to other forms of true automation, our lords and masters will be willing to give up much of the consumer society or will run it as a vast welfare gulag.

Do not be surprised to see basic income enacted, and to find that it has made your life little better, but is used as a way to keep customers viable, since our leaders will not know what to do with humans they don't need to work. Oh, some work will always be available, and, yes, we could transition to other types of work, but I don't believe our lords and masters have the imagination to manage that.

But there is a window and there is a chance. First, there is a window before the autonomous robots become very effective. Second, there is a chance they will be good for ordinary people: I am not convinced, at all, that autonomous robots are the weapon of the powerful. If micro-robots are easy to make, and I bet they will be, easy enough so that ordinary people can make them, they may turn out to be a vastly democratizing force.

After an era of terror, that is. Defending against small autonomous robots will be almost impossible. They will move too fast for human reflexes; your gun will mean nothing. Even if you manage to kill one or a few, they will come in swarms.

No one will be safe unless they completely bunker down, and maybe not even then.

Ages of assassination are terrible, but they can also lead to ages of mass prosperity. When you can't physically stop someone from killing you, your only other option is to make it so they don't want to kill you.

And that means people who are basically happy and enjoy their lives. Hopefully, they have someone in their lives to love. A man or woman in love, who is also prosperous and secure, does not try to assassinate people.

But the age of true automation also offers the possibility of utopia, of a sort. Most jobs suck, and most people would rather not work at sucky jobs. An age of abundant free time, if we can learn to handle the ecological catastrophe we have caused, is definitely possible.

We face great crises and changes, but out of them we have the opportunity to create a new society which is based on abundant free time, where humans are not slaves to jobs they hate. Our demographics and our politics are moving towards a new generation which wants radical change. That change could go very wrong, and in some countries it will, but, equally, it could go very right.

There is hope in the rise of the far left, even as there is fear in the rise of the far right.

There is hope in the rise of the new automating technologies, even as there is fear that humans might be made obsolete.

As for the ecological crisis, better we had avoided it, but the right is not wrong: Crises are opportunities. We will have to seize this one and see to it that what emerges from the ashes of our old society is a new one which is able to responsibly use technology to the benefit of all, where "all" includes not just humanity, but all life on Earth.

This is the right thing to morally, but it is also the right thing to do pragmatically.

So hope? Yes, there's hope, unless we drive ourselves extinct. There'll be terror and hardship along the way, but that is as it always has been.

The future is unknown and humanity can still choose.

So have hope, just be realistic about it. It's going to be ugly, but there are possibilities along the way and on the other side.

It's those that may be worth fighting for.

Last Words

I've written about two-million words in the last 20 years, most of them online.

So, any collection of my writing must leave out a lot. I agonized a fair bit about what to put in, and I'm still not sure I shouldn't have included, for example, this article on how [the telecom revolution is mostly authoritarian](#), or this other one about how [the internet's been pretty much a flop compared other revolutions](#).

What I do hope is clear is the structure of ideas, from fundamentals like ethics and character and the experience of everyday life, to some nitty-gritty policy details. What I also hope is that you can use these ideas to improve your understanding of the world and thus to make better decisions in your own life.

Remember: As a species, we made choices that got us here, and we can make different, better choices. As individuals, while our influence on society is limited, if we understand the forces at work and the likely outcomes, we can make better choices for ourselves, our family and friends and use whatever influence and power we have to better society.

If this collection helps people to make better choices for themselves, their families and their societies, it has done its work.

Ian Welsh, Toronto, May 14, 2019.

About the Author

Ian Welsh has been a baker, bike courier, mover, writer, editor and worked at a small multinational financial corporation as a grunt. Starting in 2003, he wrote for and edited a series of political blogs (back when they mattered), including BOPNews, The Agonist and FireDogLake. Since then, he's made his living as a writer, editor, and consultant. Among the two million or so words Ian wrote was a prediction of the year and month of the financial crisis, lots of warnings about the housing bubble and a prediction that the next President after Obama would be a right-wing populist.

You can find Ian's blog at ianwelsh.net, follow him on twitter as [@iwelsh](https://twitter.com/iwelsh), sign up for [emails](#) whenever he writes a new post, or, if you want him to write more books and posts, please [subscribe or donate](#).