

Where have the people gone in all these national discussions of economics? Bill Powers September 2011

[Reply to Rick Marken]

I couldn't agree more when you say "economic security" is "being in control." But I'd like to make that more specific -- it's being in control of your own life, not somebody else's. Before my libertarian friends perk up and tell me I've finally seen the light, I'm not talking about government versus people, but people versus people.

It has seemed more and more to me that economics is not about "the economy." It's about who gets to control whom. That question, it seems to me, is behind every disagreement about how an economy ought to be organized, or even how a society ought to be organized. Who gets to say how many hours a day you can, or must, work, and how much you get paid for it? Who gets to judge the quality of your work and either reward or punish you for it as they judge to be appropriate? Who decides what laws you have broken and what is to happen to you as a consequence? Who decides whether you are a good citizen and may vote, or a bad one? Who decides what clothes, if any, you will wear, or what kind of car you can buy, or what substances you put into your body, or whether you can die when life is too much to cope with?

In economics, the question is "who gets control of the way things are done?" This boils down largely to the question of who gets the most money.

Long ago, perhaps, money was simply a convenient way of providing credit for goods supplied or work done. Without it, the same people could provide the same goods or do the same work for each other, but the impracticalities of a pure barter society or one based simply on good will are obvious. You can promise to make me a pair of shoes if I agree to read aloud to you every evening for a week, but how do I make sure I will actually get the shoes? It would be fine if you would make me the shoes because I need them, and if I would read to you because you enjoy it so much, but this way of doing things requires that you know exactly what I want and when I want it and I know the same about you, and that each of us can do it without suffering any negative consequences as a result which force us to break the agreement, or provide enough of an excuse as soon as we have what we want. It's much more practical for each person to satisfy his or her (or both of their) own desires and rely as little as possible on other people doing that right. There are, of course, joys of community that require more than one person to satisfy, but while that's more difficult, we can work that out together, too, without having to set up an elaborate system of rules that apply rigidly to everyone.

Money is just a way to keep track of who has promised what. If you pay me for reading to you, I don't have to hang around barefoot until you finally make me those shoes. Etc. Unfortunately, money is also one of those programs supporting principles supporting system concepts that acts just like the conveniences of home computing. It allows for fast and easy interchanges of vital ideas, goods, and services between people, and by providing that very facility, it attracts the scavengers, like bears to honey and vultures to carrion. It attracts the hackers whose only thought is how to better their own position regardless of what doing that means for others. The bear doesn't care why the bees made the honey; the vulture doesn't care if the lost hiker is really quite dead. If you're hungry, why not eat? The lower levels are working fine but there's something missing upstairs.

Obviously, if a person can obtain a great deal of money for doing no more work than anyone else does, or preferably a great deal less work, that hacker can drain buying power out of the system for personal use without providing an equal benefit for those from whom the buying power was drained. The balance of trade is upset. Furthermore, the possessor of large stores of buying power

can enlist the aid of those with less of it by offering them some of their money back if they will make and enforce rules that make the hacker's position more secure. Simply by lending money to those in need, at interest, the hacker can use the stored buying power to make the store even greater. Of course it's the hacker who creates a good deal of the need for money, so this is a self-sustaining strategy.

Inevitably, then, control shifts away from the people in general and into the hands of the hackers. Once that shift begins, it is self-propagating. Money begets money and power begets power. This is a positive feedback situation which is stable only at the extremes. Every now and then the changes reverse, and go to the opposite extreme, but if that is a low point where buying power is threatened, the hackers go into emergency mode and start the trend back to their side before the hackees can figure out what's happening. Note that "buying power" means both money and using money to obtain power over others.

The solution to this systemic problem is twofold (at least).

First, we have to stop admiring hackers, however clever and talented they seem. They seem so only to the extent that they appeal to the hacker in all of us. We have to stop wanting to become rich, wealthy, happy hackers, too, and thus applauding those who have done so and like to brag about it. We can still approve of and seek happiness and wealth, but for all of us, not just some of us. That's the only stable state, the only possible escape from cycles of boom and bust, tyranny and revolution, feast and famine, war and peace.

Cycles like these are signs of a bug in the system, a design problem. Simply trying to put the brakes on will not solve the problem because we can't keep them on forever and they will wear out if we try. Just pushing back against the hackers will weaken the pushers and strengthen the resisters and make the conflict worse, or bring down the system entirely which is to nobody's advantage (but that of the vultures).

Second, we have to understand how the system as a whole works. The role of money in an economy can be understood by constructing a working model without hackers in it, to see what the requirements are for stable operation. Once those conditions are known, we can investigate how hacking or gaming the system can be made somewhat unprofitable. If you stand to lose by trying to gain abnormal buying power, why would you do it?

Third, we have to shift our admiration to people who actually produce things and ideas of use to everyone. It's simply not true that the most creative, organized, intelligent, and ambitious people are hackers. If anything, the reverse is more likely to be the case, and the hackers generally know this: they hire the creative etc. people. Creative people will create no matter what their financial status; intelligent people are not made stupid by lack of direction from outside. You can't make anyone have newer better ideas by paying more for them. The most you can do by hiring smart and capable people is prevent anyone else from benefiting from their work through confidentiality agreements and other threats.

Fourth and last for now, we have to accomplish all the required changes while maintaining what Hugh Gibbons calls "respect for the will of others." Not necessarily compliance, but respect in the sense of admitting that everyone has to direct his or her own life by doing what seems to be necessary.

A hacker is not an evil or stupid person, however often both adjectives may seem to apply. The hacker is behaving in a way that seems to accomplish certain goals. We have to continue asking "why" a little longer than usual.

Why does a person want a large amount of money? One reason may be simply to live better, to fulfill wants long unsatisfied. Perhaps the person wants power over other people. Why does the person want that power? Maybe because without it, the person can't get certain other things -- freedom from control by others, perhaps, or influence over what happens to himself, or admiration, or even love and respect. Any why does a person want those things? Perhaps -- always perhaps, because people differ -- perhaps because without things like love, respect, influence, and freedom, one does not feel like a worthy person, a person deserving of the good things in life, who does not feel secure in the present, in future life, or, depending on beliefs, in the next life.

Who knows? We simply have to ask and find out what these people want, and try to arrange for them to get it without doing the things that tend to destroy the economy for those at the bottom. Denying them what they want is not the answer; the answer lies in finding out what they want and making sure, as far as we're willing, that they can get it without thinking they have to control the rest of us.

I guess there is a fifth point. If a person says "I love you," that is nice to hear and gives a good feeling. But if you say "I'll give you ten dollars if you say 'I love you'," the same phrase loses all its ability to satisfy. It's just a way of getting ten dollars and you have little reason to think that it's meant. So just telling a recovering hacker that you admire his restraint or courage or honesty or ability to play a round of golf under 80 will not make the hacker feel satisfied if he or she knows you have an ulterior motive, that you're just trying to help the hacker sober up and would say anything that might lead to that end. If you say you admire, approve, appreciate, or otherwise give a high grade to something about the hacker, you have to actually have those feelings -- you must really admire something other than wealth, fame, and power. Insincerity is too easy to detect. You must actually hope that the hacker gets what he wants -- what he *really* wants, not just the things that are only a destructive means to a seemingly worthy end.

Discovering what a person really wants, and doing what you can to see it is obtained, is the only means I can think of that might work. To do that you have to change yourself, since you can't change the other person. I think one word for that attitude is love. Is that what that guy in Galilee was talking about, or the guy under the Bo tree? Is respect for the will of another what we really mean by that four-letter word?