Para Bellum I - The Economic System RD

INTRODUCTION:

* A system can only be as good as the responsible parties. So, the development of people is perhaps more important than the development of the different systems affecting them. Great people make great systems and great systems in turn bring about the best in people by helping them in achieving their true potential.
* ‘Current system’ refers to the system in place before the big change, a system similar to “Capitalism”, whereas by ‘Rewardism’ I mean the newer system which is different from both Capitalism and Communism.
* Discuss the approach taken and how/why it is better this way. Write about why it is important to explain the reasons behind something rather than just what that something is. (Why ask Reader to imagine himself?)
* The approach: Explain what and why we want to achieve > explain the current system’s approach and the problems associated with it > explain the approach of Rewardism and how it deals with the problems of the current system (including the potential short-comings of Rewardism and how we can deal with them) > other considerations explained/asked e.g. How to achieve a Rewardist society, other comparisons etc.
* Why this way: We can have an understanding of exactly what and why we want, we can know where we currently stand in dealing with the challenges and we can come up with better ways to deal with the challenges. The focus on the ‘why’ part helps ensure we have a firm understanding of exactly why we are putting in all the effort and helps us stay committed if the reasons are strong enough.
* Don’t forget to question the ideas and statements in this book (tell the reader) and discuss better alternatives. Explain that this book is obviously not the final image of that world but an important stepping stone for reaching that world.
* Read with love and desire to bring about a great change.

THE PHILOSOPHY BEHIND IT ALL:

* Explain the most basic assumption that we are civilized beings who can reason and want to achieve what is best for us, and that if we really want to achieve what is logically possible, we can.
* Explain the law of cause and effect, and how a great system can utilize it to bring about great effects by putting in place great causes. Explain the role of human psychology in it. (Manipulation of determinism to reach desired goals.)
* Explain evolution and how a great system can bring about the best in everyone. (Reaching true potential.)
* Explain true freedom and how a great system can help everyone achieve true freedom. (Doing stuff purely because you want to.) \*Give reference to rights and why we ought to respect rights.
* The purpose of our life, money not being it but happiness and living to the fullest (full potential). In this system we focus more on living rather than surviving, more on making relationships rather than links, more on making memories than money, more on learning and growing rather than grinding for wealth, more on being in the moment rather than just working towards an end. Love for wisdom enhanced and practiced more than in the current system. Humankind evolves to the next stage and facilitate evolution.
* Explain that if we properly understand the “why”, then the “how” should not be that difficult. “He who has his ‘*why’* can overcome any ‘*how’*.”
* What is this war against? What is the purpose of war? (Ironically, it is peace and prosperity.) How do we prepare if we don’t know what we are facing? How do we win if we don’t have an understanding of the battleground? Explain that the war is against ignorance, blindness, irrationality, unreasonableness, the chains of the ‘old ways’, and the chains that hinder our growth.
* Ask the Reader to think what a perfect world should be like (not in the fictional sense) so in order to be able to compare the ideas shared here with their own.

THE ECONOMIC SYSTEM:

* SIGNIFICANCE OF THE ECONOMIC SYSTEM IN ACHIEVING THE MAIN GOALS:
* \*Give an idea of exactly what you mean by the RM System (As the name suggests, it is responsible for managing all the resources by keeping record of available resources, their scarcity and need and utilizing them accordingly. Optimal utilization accounts for the 3 Es and the long-term goals and short-term survival and quality of life.) State that resources include all types of resources: intangible, tangible, human, raw, processed, etc., and then with reference to scarcity and optimal use explain the importance of a proper system that utilizes the global resources available in the best possible way. \*For survival and advancement, one challenge is the scarcity of resources. Having a proper system that manages the resources optimally will mean that this challenge will most likely be dealt with. Without such a system, it is more likely that lack of resources will hinder progress. (Explain the significance of preserving or saving resources for future use, and why we should plan ahead.)
* - Reasonably utilizing resources to ensure maximum number of beings, if not all, get a good-enough standard of living. -Ensuring best use of resources to achieve the best results by giving access to them to the right people. -Helping in maintaining peace and prosperity by appropriate allocation of resources available. (Explain the importance of control procedures in ensuring that resources are used in the best interest of everyone rather than just for the select few).
* - Rewarding efforts appropriately and thus, helping in promotion of useful/important activities. (Proper utilization of talent.)
* - Helping in producing more goods to meet the demands of as many as possible. \*Need for standardization (the process of making something conform to a standard) should be discussed in detail. (better knowledge about the resources available around the globe, better knowledge of the different needs and their significance, then better decisions taken for the optimal utilization of the resources.)
* End this section by explaining the significance of properly managing resources for achieving the biggest goal: evolving.
* COMMUNIST APPROACH:
* “The philosophers have only interpreted the world, in various ways. The point, however, is to change it.”
* “The oppressed are allowed once every few years to decide which particular representatives of the oppressing class are to represent and repress them.”
* “There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits.”
* “The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.”
* “For as soon as the distribution of labor comes into being, each man has a particular, exclusive sphere of activity, which is forced upon him and from which he cannot escape. He is a hunter, a fisherman, a herdsman, or a critical critic, and must remain so if he does not want to lose his means of livelihood; while in communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have a mind, without ever becoming hunter, fisherman, herdsman or critic.”
* “Modern bourgeois society with its relations of production, of exchange, and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells.”
* “The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible.”
* “In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things. In all of these movement they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.”
* “The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all exiting social conditions.”
* PROs:
* Emphasis on changing the world rather than just interpreting it – a challenge which most researchers face. Sure, they can learn a lot about the economy, but can they really improve it? The real point is to bring about a great change.
* Emphasis on overcoming oppression of the many by the few.
* Emphasis on the climbing of the ‘steep paths’ to science and ‘gaining its luminous summits’.
* Emphasis on the re-evaluation of what ‘civilized’ means and the effects of rapid improvement of all instruments of production
* Emphasis on being able to do more than one job and becoming independent.
* Emphasis on simplifying and controlling the ‘powers of the nether world’.
* Emphasis on freedom and ‘loosing chains’, which also means emphasis on eradication of world debt.
* Takes into account the importance and the power of the proletariat.
* If a communist system is adopted, a revolt from the proletariat is unlikely to occur because class antagonism is reduced to zero as the distinction between classes ceases to exist.
* Without having to struggle for the basic needs of life, people can start focusing on actually living and this means possibility of advancement in technology and knowledge because people will have more time to focus on that.
* A better chance of evolving with people not being class-conscious and just living their own lives.
* Significant reduction in the possibility of being corrupted as no one can really own property.
* A better support for automation and AI as people would just want to get rid of jobs that can be done by machines. This might not be the case if people are dependent on those jobs for basic needs.
* CONs:
* Going against the people in power rather than collaboration can have serious consequences. Revolting ‘against’ the bourgeoisie is unnecessary. An overthrow of all social conditions seems unnecessary. Our aim should be to focus on the system rather than the people. Even though both seem to be interlinked, avoiding emotions will allow us to more objectively come up with a proper system that is in the best interest of everyone.
* This approach is unlikely to be supported by the bourgeoisie. A system that rewards or facilitates them is more likely to work because that system is more likely to be supported by the bourgeoisie.
* Even without wealth, power can still be even more corrupting. The great atrocities of the past are clear examples of a significant hole in the system that has not been resolved.
* The benefits of property/wealth/money are not really accounted for. People work hard to earn their wealth. Without any wealth, there is no great motivator. People might still work but not like they would if they were offered some reward for it.
* Even though Karl Marx addressed the issue of laziness by pointing out that the bourgeoisie don’t really need to earn but they are not lazy, then why would people be lazy when they don’t need to earn... However, a significant point to notice here is that wealth and respect still motivate the bourgeois to earn more. They compete with other bourgeois. Without any incentive of wealth or property, it will be difficult to motivate people to do difficult tasks.
* Lack of motivation and competition can reduce the chance of humans evolving to the next stage.
* CAPITALIST APPROACH:
* “Wherever there is great property there is great inequality. For one very rich man there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many. The affluence of the rich excites the indignation of the poor, who are often both driven by want, and prompted by envy, to invade his possessions.”
* “The interest of [businessmen] is always in some respects different from, and even opposite to, that of the public ... The proposal of any new law or regulation of commerce which comes from this order ... ought never to be adopted, till after having been long and carefully examined ... with the most suspicious attention. It comes from an order of men ... who have generally an interest to deceive and even oppress the public”
* “What can be added to the happiness of a man who is in health, out of debt, and has a clear conscience?”
* PROs:

\* Eradicating world debt and forming a government system that is free of the influence of the rich has been emphasized.

- It facilitates trading and therefore, the provision of goods and services by making transactions simpler and faster: just pay the price and receive the product.

- Research works relating to different areas like ‘performance of organizations’, ‘evaluation’, ‘optimal tax rates’, ‘incentives’, etc. have helped us have a deeper understanding of these areas and so, have contributed to the improvement which would not have been possible had all this research not been done.

- It has exposed us to the different sides of us humans: the greedy side, the philanthropic side, the hard-working side, the lustful side, etc., perhaps without the advancement of capitalism, we would have been ignorant about how colorful man is. How can we improve if we don’t know exactly where we lack?

// Pure form of capitalism along with good governance and an aim for the evolution of all is actually amazing for evolution and improvement. If "enlightened" people were to live in a world with the main system being capitalism then the world would be a fine place to live in.

// Money or wealth in general acts as a great incentive to push people to their limits in terms of productivity and utilizing their talents. Increased productivity and easier transactions mean more products are available more readily.

// Take in to consideration competition and you have goods which are not only cheaper but also better in quality than had there been no competition.

// It is naturally controlled by the unseen hand of the law of supply and demand.

// Public servants regard the public purse as almost inexhaustible, spend unnecessarily and pay themselves well, while successful businesspeople are careful and parsimonious at managing their limited resources. State assets are generally less well managed than private holdings. <Move to pros of Capitalism>

* CONs:

- Cash can be easily transferred between people which allows people to bribe others and make officials make decisions according to their wishes. It, therefore, interferes in the decision-making process and makes it easy for the wealthy to manipulate others using the cash incentive. Cash acts as an incentive to give up on morals, principles and even basic reasoning skills, it then leads to bad decisions and thus acts as a cause for some serious bad effects for the society and the world in general. (Environment, etc.) \*Give reference to how good men can do terrible things just for the sake of their family’s wellbeing.

- Explain how it promotes people to do and/or get what they want instead of what they should do and/or get because companies are more likely to do that which people like to pay for rather than do that which is best for the people. Explain how people just buy what they want (though there are obviously laws controlling who can buy what), which can be dangerous. Resources are available to those who can afford them and not necessarily to those who can best utilize them.

- Cash's source is pretty much untraceable, which allows people to achieve it by illegal means without getting caught, giving rise to illegal activities for the sake of accumulating wealth.

- While competition certainly has its advantages, let’s not be ignorant of the consequences of hyper-competition. The main problem we are concerned with here is instability. While competition can help companies thrive, if not controlled, it can lead to poor work-life balance, bankruptcy, dissolving and illegal activities for keeping companies alive.

- Current system does not take in to account the base standard of living nor does it take in to account determinism. (Wealth disparity) \*Give reference to the old people needing to work just for basic needs.

- Cash can be stolen and property can be acquired by blackmailing the owner.

- Capitalism makes it easy for the rich to influence governance and does not really account for a base-standard and a limit of wealth.

- The corrupting nature of wealth and power is what makes it difficult to be and remain “enlightened”.

“The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.” {Makes people be in accordance with what they think is “civilized”, makes them do things which they wouldn’t have if not for money.}

\*Go on to give an idea of how deep the effects of such and such problems are. \*Give reference to the fight club quote. \*Give reference to Arthur Anderson and Enron story.

* REWARDISM: We have to account for both the pros and cons of the current system and creatively come up with a better system. See the points to consider at the end...
* 1st - Give an idea of a system without transferrable cash: basic needs of everyone be fulfilled by the system and reward points be given for “extra-effort”, for being a great contributor to the society or for simply being a nice person; such non-transferable/non-tradeable points can only be given by officials, the amount being in accordance with the importance of the work done; people should be able to request what they need (from those responsible for their area/region) and log complaints against their district heads if their needs are not being taken care of (there can be a dedicated site for complaints regarding resources); in order to buy some luxury, the user has to “burn” the necessary amount for the transaction rather than transferring it to the luxury-provider; the accounts will be linked to each user’s Government-provided-ID and with biometric or some other stronger verification; each reward point’s source clearly kept record of in a properly managed database so that the source of all reward points is easily traceable; although transactions will remain private for privacy concerns, however, each transaction can be traced by government officials if needed; the behavior and performance of individuals be monitored and recorded in the database and they be rewarded accordingly; the resources should be managed such that they be made available to those who can best utilize them rather than to those who have the most wealth; the basis of provision of luxury/rewards should not just be how much reward points one has but also how they earned those points;
* 2nd - Explain the responsibilities: \*Gathering data about the various resources available around the world, and by taking into account the rate of usage of the resources, predicting the resources available in the near future. \*Identifying the different needs of the whole society, and then ranking them according to their significance (importance and urgency). \*Figuring out the best possible ways of utilizing resources by ranking the different ways of utilization according to their pros and cons. \*Utilizing the resources according to the findings, guidance from the RS and standard procedures to benefit the maximum number of people possible in the best way possible. \*Reporting findings, performance (resources utilized (5 Ws and 1 H) and their opportunity cost), key-decisions, and reasoning (behind decisions taken or to be taken) to the reasoning system to ensure that the Economic System is working in the best interest of the whole society. \*Leaders of the Reasoning System will oversee the performance of the RM Experts and will give them feedback accordingly. (State that the goal is to take care of needs of every being on the planet, and to go even further and provide luxury items/services where possible, in the smoothest way possible; even more importantly to ensure that every resource is best utilized (talent, raw materials etc.) and the scarce ones are preserved until the best use(s) is/are available, I.e. wastage is avoided/mitigated)
* 3rd - Explain the control procedures: \*Who can run this system (RM Experts)? How will they be selected (Competitive Exams)? What responsibility will each individual on each level have (according to department and level/expertise will handle tasks) and who will look over the one with the highest authority (RS will look over the one with the highest authority and pretty much the whole system)? \*Importance of documentation and transparency should be explained (lower risk of fraud, more trust developed), then explain what control procedures can be implemented. (Stamps, signing, reviewing, unannounced investigation, etc.) Give reference to guidance from RS, and explain control procedures which ensure that the guidance/standard is followed (independent audits by RS, assistance of P-M System to ensure safety, encouraging anonymous whistle-blowing). \*CPD of the Resources Managers to ensure their knowledge and skills are in accordance with development and advancement in technology and other aspects of the society. \*Taking feedback from people whether their needs are being fulfilled or not, and what improvements would they like to see. \*Ensuring that the rights of people are not violated (for example, people should not be forced to do a job or relocate to some other place generally speaking, but they can be requested) (by asking people if they were forced to do something, by reviewing documents about consent etc.) \*Setting a strict but loving working environment for the RM Managers to ensure that they do not misuse their power. In the surprise investigations, they should be asked about why such and such account was given such and such amount of reward points, if they are unable to provide a reasonable explanation, they should be dealt with accordingly. \*Regularly conducting performance appraisals and taking actions accordingly. (Actions can be rewarding reward points, demoting, providing training, or even removing from job if needed.) \*Giving a quarterly report to the public about the performance of the RM System, so that the public can decide whether the resources are being properly managed or not and therefore, taking in to consideration whatever the feedback is from the public. \*As a control measure, no individual, no matter what the individuals’ rank/power is, should be able to add reward points to their own account. Someone from some other part of the world, after looking at the reasons, should be able to add the points. This should only be allowed when the party adding the points is not connected to the party receiving the points, in order to deal with familiarity threats and other possible threats to professionalism.
* HOW THIS SYSTEM DEALS WITH THE CURRENT PROBLEMS: (First, address each Con of the Current System explained and how the current system deals with each of those problems. Then, go on to explain the benefits of the current system.) Ask reader to imagine a world without a need for money in order to fulfill basic needs, and being rewarded reward points. How that would be better and what problems could arise. Why reward points necessary, why differentiation needed, how reward points would not give rise to (or reduce the possibility of) corruption, and be a cause for great effects (explain how rewarding reward points will act as a cause for promotion of important activities), how it will address the problem of lack of motivation to work hard, and it would differentiate between those working hard and those who do not care about the society, why basic needs should be fulfilled for free, why transparency in transactions and sources of reward points is necessary (increased authenticity and value of reward points); in order to ensure no one tries to get the reward points illegally. (Explain benefits- purity, less possibility of making bad decisions/corruption, more focused on important things like research and protecting the environment and important resources, making new inventions to help the society, compatible with AI taking over humans’ jobs, easy to manipulate the general public in to doing things in the best interest of everyone by setting the reward points available accordingly.) \*Give reference to the solutions provided by Karl Marx in his Communist Manifesto and how your solutions differ from those. Also, mention the problems associated with the Communists’ approach and how we can deal with them. \*Explain how deep the benefits of this system go by explaining the long-term effects. Further explanation in the Reasoning System and Resource management system. (Increase in the “deepness” of mankind. Not worrying about trivial things like survival and accumulating wealth; instead focusing on growth and actually living. \*Mention reaching different galaxies, living in harmony and finding true wealth: knowledge.)
* POSSIBLE LIMITATIONS AND HOW TO DEAL WITH THEM: Laziness related problems. (\*Give reference to Man’s search for meaning.) Too much demand dealt with by setting the cost of goods and/or services in terms of reward points high enough as needed and by using advanced automation techniques to bring about an abundance of goods and services. ‘Power corrupts’ related problems solved to a reasonable extent using the help of other systems like the Reasoning System, the Peace-keeping system, etc. (Give reference to the possibility of Gulag related problems and how we can prevent that using previous knowledge and setting the right system to manage power distribution.) How will people do acts of charity if they can’t transfer their wealth? (By simply working in the best interest of the world... what can be a bigger charity?)
* COMPARISON WITH UBI: Give reference to UBI (Kurzgesagt’s video about it); how your concept is different from it, the possible problems with UBI and how your concept can deal with those problems: money would mean possibility of spending on unnecessary goods, the root problem still would exist \_ money corrupting and causing impurity.
* HOW TO GET TO THIS SYSTEM: In democracies: people will vote whether they want to adopt Rewardism; in others: the leader(s) will decide; -what is in it for the “elites” or “bourgeoisie”: convince the top 250 “elites” to make this possible by giving them that what money can’t buy or very difficult to: infinite reward points and a card for VIP protocol (not just for them but for their future 4 generations) showing they were the elites who gave up the most to make this a possibility, preference in the reasoning system in areas of their expertise and greatest luxuries of life (ideal location residence, best education, best companions etc.) and above all, respect and love of the rest of the world; -what is in it for the normal: chance to truly enjoy their life and reach their max potential, compensated for their assets by giving them reward points likewise. -why should leaders of nations decide to adopt this system and become one with the international nation: access to resources from around the globe and a better and well-thought-out system with international support and standards; - If everyone convinced then just need to be patient and understanding, and the RS has to formulate the best plan to move from the current system to Rewardism: reset global debt to 0, as debt will be virtually impossible in a Rewardist society and considering unity it does not make sense that a person’s right hand should owe anything to a person’s left hand... companies who are owed anything will simply be accounted for as the debtors will be an asset of the company and rewarding/compensation will be asset/net value based; how much reward points should be given to the non-elites to compensate them for their money lost, how much and why should be given in the future, what would be the basic needs and how will we fulfill them for free, how will we fine or deal with breaking laws, who should oversee whether the authorities are taking their responsibilities seriously and whether any decisions are being taken against the benefit of the society; what would accountants and finance related people do (help in resource management and formulation of rewarding plan)? (Most of this will be covered by the reasoning system but give your ideas about what the approach should be.)
* Ideas about the approach:
* Elections and invitations to adopt Rewardism. In either case, get feedback about exactly what they like and dislike about the NS and update the NS accordingly (for example, in a website managed to reflect the final image of the NS).
* Establish a central RS “base” and an independent oversight board. Hire leaders based on competitive exams and interviews. Examination be done by independent party who is experienced in doing high level examination (e.g., Google HR Dept. along with the most reputable exam conductors e.g., some country’s IR or Intelligence Department’s exam conductors). Initially, focused on hiring the heads of the different divisions of RS and especially establishing the Resource Management division. Other divisions can be developed with time as needed.
* The RS obtain the required data and devise the best approach to shift to Rewardism, considering all the different types of challenges. (What will be the conversion rate for compensating the owners of the property acquired? What will be the base-standard of living? What will be the standards set for the goods and services? What will people be able to buy with one reward point in the future 20 years? What will be the day transactions stop and conversion done according to the conversion rate? How will people get what they need from this day to when the system is hopefully properly running? How can we avoid the “Gulag” problem? How to deal with the chaos possible during the shifting?)
* Take feedback from the intellectuals around the globe about the plan and update it accordingly. The plan should be such that the final image/goal of the NS (as described in this book) is most likely to be achieved if the plan is executed properly.
* A task force be made to carry out the plan devised by the RS. All efforts be clearly recorded so that rewarding can be done accordingly.
* After the initial stage of deployment: collect data about all the resources acquired and not acquired, all the compensation to be done for acquiring the resources according to the conversion rate, all the needs to be fulfilled according to the base-standard set and, therefore, all the improvements needed to meet at least the base-standard, all the people for making their account and adding them to the database.
* RS verify the data to a reasonable extent possible, and devise further plans and standards accordingly.
* Task force carry out the final plans and help make the changes necessary.
* All the task force and people in the RS be rewarded according to their efforts based on the records. This rewarding be done by an independent oversight board after critical evaluation of the documents and relevant people.
* Hire people to run the RM System for the future and RS set out standards and control procedures. A proper medium be made available to the people to allow them to share their issues such that the responsible parties can take actions accordingly.
* WHY THIS WAY OF ACHIEVING THE SYSTEM (DEALING WITH PROBLEMS OF ACHIEVING IT): Discuss why this approach is reasonable: why convincing is important and why this way (how the elites have most to lose and gain, and how their help will be crucial)- why we need the elites and the normal on same page and why we should all do our part in making this possible with the least conflict and violence. (We are all human and our success lies in unity and success of us all rather than just some of us). What are people losing and so why they need to be convinced. It is justified because no one would be harmed in the process and they will be compensated for their efforts to make this possible, and the “normal” ones will get access to all the basic needs of life and a chance to enjoy the luxuries of life by the reward points available. \*Win-win situation for both the “elites” and the “normal”. (Furthermore, they will be on the same page: working to improve the society and system, and more transparency between leaders and the rest of the society) Once the elites are convinced that Rewardism should be implemented then it is just a matter of time before it becomes functional. \*Explain how your method differs from the Communists in the sense that we are not going at war against the bourgeoisie but against the old ways and so asking for the help of the bourgeoisie in doing so.
* READER’s ROLE: Normal: spread awareness about Rewardism, give hope to others, (importance of hope can be discussed here) live like money doesn’t matter, do your best to make the shift as smooth as possible- without any conflict or violence or greed; criticize the system and/or approach and come up with improvements. Elite: spread the idea and convince other elites and the people they have links/relationships with, work towards more transparency with the rest of the world and make this a reality by contributing (whatever expertise they have) to the planning and execution of the system. Making the process of transferring required resources to the Resource Managers smoother by declaring the resources one has and handing them over without hesitation. If one has expertise in management then he/she should join the RM System to make use of their expertise. Reader should encourage others to help the system too. RS can be helped in research-work and setting best practices to ensure avoidance of misuse of resources and best utilization too.
* Points to consider when writing:

- “What can be added to the happiness of a man who is in health, out of debt, and has a clear conscience?” # Move to Rewardism

! But when governments then try to help consumers by imposing price limits, it discourages the producers from bringing grain to market, or encourages consumers to buy it up so fast, that the season will surely end in shortages and famine. {significance of non-interference}

! {link these points to the basis on which people should be rewarded} The non-pecuniary costs and benefits of different industries:

⦁ Some professions may be easier, cleaner, or more respectable than others.

⦁ Some professions are difficult or expensive to learn.

⦁ Some trades are seasonal.

⦁ Earnings are higher in trades that require a large degree of trust (doctors, lawyers, etc.).

⦁ Earnings reflect the probability of success in any profession (rarity and beauty of talents in professions like acting, singing, etc.).

! Lastly, capital is used in retailing – to divide raw or manufactured goods into smaller amounts that match consumers’ needs. If there were no butchers, for example, people would be obliged to purchase a whole ox or sheep at a time, which would be an inconvenience to the rich and an impossibility to the poor. {link to apportionment}

! People respect authority, strength, wisdom, prudence, maturity, age and wealth. {basis for respectable position holders' selection}

! “The endowments of schools and colleges have necessarily diminished more or less the necessity of application in the teachers Their subsistence [is] altogether independent of their success and reputation in their particular professions” {on the significance of performance-based rewards}

! “The sovereign is completely discharged from a duty [for which] no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society.” {on the significance of liberty and non-interference} # Explain how it is possible to directing it towards the employments most suitable to the interest of the society

! The first remedy for self-neglect and profligacy is the study of science and philosophy. The second is to amuse and divert people by promoting the arts. {on the significance of art, science and philosophy} # Explain how to deal with very high buying power and demand.

! “Public services are never better performed than when their reward comes in consequence of their being performed, and is proportioned to the diligence employed in performing them.”

! "Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer." {on the significance of giving preference to consumers over producers}

! "Labour remains the real price: money prices are just nominal prices. We buy in from others things that it would cost us more toil and trouble to do for ourselves. The real wealth that we obtain from exchanging with others is their labor, not their money." {use this quote for promoting the idea that money is not important but people and their activities so if we can promote good activities using reward-based system it would be better than people doing weird stuff to get money}

! So capital is being transferred from people who have a keen interest in using it productively to those, mere creditors, who have no interest in the condition of land or the good management of the capital stock at all. <On the significance of erasing debt.>

“How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.” - The Theory of Moral Sentiments

! A rich family consumes no more food than a poor one – though it may be of better quality. But the landowners who have command of more food than they can eat – either through growing it themselves or in the form of rent from tenants – nevertheless seem to have a boundless appetite for clothing, housing and showy equipage. Compare the spacious palaces and great wardrobes of the rich with the hovels and the few rags of the poor. {link this to the significance of satisfying this appetite to get their support}

! Money is a utensil, just like pots and pans.

! “... and it has, I am afraid, been too common for vessels to fit out for the sole purpose of catching, not the fish, but the bounty.” <this is particularly relevant to setting the reward appropriately>

! "A man grows rich by employing a multitude of manufacturers: he grows poor by maintaining a multitude of menial servants." {on the significance of doing your work yourself}

! The fact that wealth and money are separate things can be shown quite easily. After all, a person who receives a guinea of income today may spend that same guinea tomorrow, thus providing the income of a second; and that person may spend the same guinea on the next day, providing the income of a third. So, the amount of money in circulation is clearly much less than the total income of the nation. National income is the quantity of goods bought and sold, not the metal pieces that happen to be used to facilitate the exchange of that product. {highlight significance of activity over money}

! \* Potentially infinite buying power if products available for free: egg example: 1 country where dollar buys 1 egg, another where the same dollar buys 10 and so on... until there's a country where you can get an egg for 0 dollars. Apportionment of available eggs among people necessary. Possible for one man to buy all the eggs and prevent others from having any. \* The real problem with corruption: stale money, not flowing and not invested anywhere, dead money. \* The total wealth/resources of the world are finite and no man can increase that really. The task of the economist is then to utilize and spread these resources and this wealth in the best possible way.

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Condensed Wealth of Nations Notes

1 Explaining true capitalism

* ^ Market is self-regulating: overstocked market = low prices = low profits = decrease in stock due to decrease in activity in unprofitable line = increased prices: market price increases back to natural price, understocked market = high prices = high profits = increase in stock due to increase in activity in profitable line = decreased prices: market price decreases back to natural price. (Natural price = cost of production + normal profit, market price = actual price at which the product is sold)
* ^ Resources are drawn to their most valued application (fulfilling demand of people and profiting from that).
* ^ Market price can remain above natural price for a long time but not below it because people enjoy profits but do not want to face continued losses.
* ^ The efforts of politicians and businesspeople to diminish competition and freedom should therefore be resisted.
* ^ If people can make a good profit from the use of money, they will be prepared to pay well to borrow it. The greater supply of capital increases the competition between its owners, and bids down the rate of return that it can generate, and the interest rates that borrowers will be prepared to pay for its use.
* ^ The only truly effective discipline over businesses is their fear of losing customers. Secondly, earnings can be depressed by over-encouraging entry into a profession (e.g., by scholarships, pensions, bursaries, etc.). Third, the law obstructs the circulation of labour and capital from trade to trade and from place to place.
* ^ The third factor of production is land, and rent is what is paid for its contribution to the national product.
* ^ The Market Economy: In other words, the landowners, employers and workers are parts of a seamless system of flows in which goods are created, valued, exchanged, used and replaced – and resources are pulled to their best use – all quite automatically, within a functioning economic system.
* ^ The loan, in other words, represents some small part of the national product being assigned over from the lender to the borrower.
* ^ The argument that, without regulation, some retailers might dupe customers into buying things they do not need is a specious one. For example, it is not the widespread prevalence of alehouses that causes people to drink to excess. Rather it is the disposition to drink that gives employment to the alehouses.
* ^ the invisible hand idea – a functioning social order produced by the private and indeed self-interested action of individuals – pervades Smith’s work. {refer to this self-interest being accounted for in rewardism too}
* ^ Taxes raise the prices of things, imposing a burden on consumers; and taxes on necessities are a particular evil.
* ^ But when governments then try to help consumers by imposing price limits, it discourages the producers from bringing grain to market, or encourages consumers to buy it up so fast, that the season will surely end in shortages and famine.
* ^ Countries who give monopoly to an importer deny themselves access to world competition and end up paying more than if there was more competition. <con of monopoly>
* ^ Profit rates in Amsterdam are even slimmer, but its attentive and parsimonious burghers are even wealthier than those in London.
* ^ The second theoretical system of economics suggests that the product of land is the sole source of national wealth and income.
* ^ It divides society into three groups:
* Propreitors
* Farmers and workers
* Artificers, manufacturers and merchants <-- Seen as unproductive
* ^ the more liberty they enjoy, the more competition there is between them, and the lower the cost of what they supply
* ^ When working class people quit, their income immediately dries up; when they take to the field to defend their nation, they cannot maintain themselves, and must necessarily be maintained from the public purse.
* ^ Just as the state must protect people from foreign enemies, so must it protect them against domestic ones.
* ^ The avarice and ambition of the rich, or the desire for ease and enjoyment among the poor, can lead to private property being invaded.
* ^ “The greater part of such public works may easily be so managed, as to afford a particular revenue sufficient for defraying their own expense, without bringing any burden upon the general revenue of the society.”
* ^ Public works which cannot produce such revenues, but which benefit some particular locality, are better maintained by a locally raised and administered tax.
* ^ “When the crown lands had become private property, they would, in the course of a few years, become well-improved and well-cultivated...the revenue which the crown derives from the duties of customs and excise, would necessarily increase with the revenue and consumption of the people.”
* ^ And if the empire can no longer support the expense of maintaining these appendages, it should let them go, save the expense, and live within its modest means. {significance of peace and liberty}
* ^ Four principles of taxation:
* Taxes should be in proportion to the income.
* Taxes ought to be certain and not arbitrary.
* Taxes should be levied at a convenient time.
* Taxes should cost no more than necessary. They should not discourage industry nor destroy capital. They should not encourage evasion nor should the penalties ruin those who are driven to evasion.

2 Promoting/defending rewardism and explaining true capitalism

^! Decent wages are essential for the well-being of labourers and their families. But to pay decent wages is in the interests of employers, too. When wages are high, workers are better fed and stronger. They also have the prospect of saving and improving their condition, which makes them more inclined to work diligently. And when workers are given sufficient rest, they are likely to be healthier and more productive. {link this with the significance of rewarding generously}

^! Effect of overpopulation: Being fully populated, there would be great competition and wages would be low; and being fully capitalised, the competition between employers would be great, and profits would be low as well. But no country has yet reached this degree of wealth. {on the significance of avoiding overpopulation}

^! {link these points to the basis on which people should be rewarded} The non-pecuniary costs and benefits of different industries:

⦁ Some professions may be easier, cleaner, or more respectable than others.

⦁ Some professions are difficult or expensive to learn.

⦁ Some trades are seasonal.

⦁ Earnings are higher in trades that require a large degree of trust (doctors, lawyers, etc.).

⦁ Earnings reflect the probability of success in any profession (rarity and beauty of talents in professions like acting, singing, etc.).

^! The rich are always willing to exchange their surplus for luxuries and the poor are equally willing to supply this demand in order to get the basics that they need by way of exchange. {link this with lack of freedom and the weird things people have to do to get their basic needs fulfilled}

^! He believes that competition will generally keep banks prudent, but that there still needs to be regulation to protect the public. He has no problem with a general regulation in the public interest: it is just regulations that favour special interest that he objects to.

^! Future income depends on the extent of our capital, and the only way to accumulate capital is by saving. Indeed, just to maintain capital we need to save, because materials and equipment must be repaired and replaced all the time. If instead of saving, we consume our current revenues on unproductive hands, then we are eating into our capital for the purpose of current consumption. This is prodigality, and if it persists, must lead to ruin. {on the significance of restricting consumption to what is necessary and avoiding extravagance}

^! "It is the highest impertinence and presumption…in kings and ministers, to pretend to watch over the economy of private people…. They are themselves always, and without any exception, the greatest spendthrifts in the society…. If their own extravagance does not ruin the state, that of their subjects never will." {contrast with the need for more activity}

^! And that increased capital accumulation can be attributed to the private saving and investment of individuals, together with the legal security that enables them to accumulate their capitals without fear of them being stolen, and the liberty that encourages them to save, invest, and so better their own condition. {on the significance of private savings, legal security and liberty}

^! Some countries have attempted to outlaw the lending of money at interest. But this has simply increased the evil of usury, rather than preventing it. People still want to borrow money, but now they have to pay not just the interest, but a premium for the risk that the creditor runs in lending illegally. {on the significance of free market and problems of debt}

^! Lastly, capital is used in retailing – to divide raw or manufactured goods into smaller amounts that match consumers’ needs. If there were no butchers, for example, people would be obliged to purchase a whole ox or sheep at a time, which would be an inconvenience to the rich and an impossibility to the poor. {link to apportionment}

^! Economic progress stems only from countries producing a surplus that they can then exchange with others. Countries are better off if they do not try to remain self-sufficient and raise trade barriers against others. {on the significance of free market and fading borders}

^! His intuitive view is that all prices are affected, and that nothing real changes. Today we recognise that inflation does have some distorting effects because the new money enters the economy in particular places and that price rises spread out from there, with the differences causing real misallocations on the way. {problem with money: inflation}

^! a serf or slave who can acquire no personal property has no interest other than to eat as much, and to labour as little as possible: productive work has to be forced out of them. Though slave labour looks cheap it is therefore the least cost-effective sort of labour. Slavery is common in the sugar and tobacco plantations of the British colonies, but only because the extent and fertility of the land makes the expense of slavery affordable. {against slavery}

* ^! If we consider the whole world as one big country then there really is no international trade... all is domestic trade... so, the preoccupation with international trade is inappropriate. {on the significance of fading borders}
* ^! It is wasteful to make at home what you can buy cheaper elsewhere. {better utilization of resources, irrelevant of geography}
* ^! As long as a country is producing more than it consumes, it is saving and adding to its capital. {produce of country considered as capital}
* ^! A nation is more likely to grow rich from trade if its neighbours are also rich, industrious, commercial nations, than if they are poor. {significance of helping other nations evolve}
* ^! “Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer.” {on the significance of giving preference to consumers over producers}
* ^! Indeed, the system of perfect liberty leaves the state only three duties to attend to: defence, justice and certain public works. {role of government, add to it the need for managing limited resources}
* ^! “The sovereign is completely discharged from a duty [for which] no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society.” {on the significance of liberty and non-interference}
* ^! “The affluence of the rich excites the indignation of the poor, who are often both driven by want, and prompted by envy, to invade his possessions. It is only under the shelter of the civil magistrate that the owner of that valuable property, which is acquired by the labour of many years, or perhaps of many successive generations, can sleep a single night in security.” {on the significance of security of property}
* ^! People respect authority, strength, wisdom, prudence, maturity, age and wealth. {basis for respectable position holders’ selection}
* ^! “Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all.” <-- does not mean it is a bad system, or people to accumulate capital, they must have confidence that their property, which may take years of effort to acquire, will not be stolen from them. And this capital accumulation is essential for economic growth.
* ^! The interests of commerce have often made it necessary to post ambassadors to foreign countries. {fading borders, good relations}
* ^! “The endowments of schools and colleges have necessarily diminished more or less the necessity of application in the teachers Their subsistence [is] altogether independent of their success and reputation in their particular professions” {on the significance of performance-based rewards}
* ^! The first remedy for self-neglect and profligacy is the study of science and philosophy. The second is to amuse and divert people by promoting the arts. {on the significance of art, science and philosophy}
* ^! “Public services are never better performed than when their reward comes in consequence of their being performed, and is proportioned to the diligence employed in performing them.” <Link to reward-based system.>
* ^! Private capitals would certainly suffer greatly if all the costs of a war had to be raised through tax rises at the time (though it might make wars shorter, less popular, and less likely to happen). {possible reasons for war: lending, interest, profits... remedy: taxation}

3 Cons of Capitalism

! “The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur.” <On the significance of experiments and innovation.>

! "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable."

! \* Criticism: this assumes that people will always have the buying power for the products, buyers will always have the bargaining power in an overstocked market, buyers will have no bargaining power in an understocked market and the demand will remain for the products no matter what. These assumptions are not necessarily sound in all cases. It is possible that demand for an overstocked product might drop and not increase even if supply decreases. # Separate

! It is possible that people cannot afford the understocked products and so they might not be profitable. # Separate

! \* Most profitable line might not be most ethical or useful line; it is just the most profitable line and that's all we can say. Fulfilling people's demands is not necessarily a good thing, their demands can be destructive in nature. Therefore, the seller is attracted to increase his wealth in a way which might prove harmful to the world. # Separate

! There are a few workers who own all the stock needed for their own production activities, but this is uncommon. Usually, workers are employees of other people, who own productive assets. How the product is shared, then, is a matter of contract between workers and employers: but the employers usually have the upper hand. Since there are fewer of them, they can combine more easily to rig the labour market and keep down wages. They have greater resources with which to sit out a trade dispute. And while the law forbids combinations of workers, the collusion of employers is everywhere. # Separate

! The fewer people who are allowed to practice in a particular trade, the more they can charge for their services. And the professions have exploited this by promoting various rules governing apprenticeships. # Separate

! "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." # Separate

! Struggling merely to survive, they have no time or energy to spend thinking about public policy. And the voice of the common people does not carry far in the public debate. # Separate

! “The interest of [businessmen] is always in some respects different from, and even opposite to, that of the public ... The proposal of any new law or regulation of commerce which comes from this order ... ought never to be adopted, till after having been long and carefully examined ... with the most suspicious attention. It comes from an order of men ... who have generally an interest to deceive and even oppress the public” {highlight the point that the interests are not aligned} # Separate

! The specific rules on these tax concessions are so complicated that they do distort things, and often invite fraud. # Separate {complexity problem}

* ! The search of treasure is an uncertain and ruinous exercise. # Separate
* ! But such is the mercantile system: it produces large distortions that are then very hard to remedy. # Separate

! “There is no art which one government sooner learns of another than that of draining money from the pockets of the people.” # Separate

* ! Capital is very mobile, and owners can avoid tax simply by moving their capital abroad. And that robs domestic industry of the capital it needs to grow. {problems with transferability and border-problems} # Separate
* ! “The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at his ease.” # Separate