

# Rewardism

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## Chapter 1: First Principles

I like to think in first principles, this helps avoid inheriting flaws of the existing systems, and simplifies the problems, making them more solvable. A mixture of rationalist and empiricist approach makes sense, as we can learn from the empirical evidence, and we can reason to create a new system, which can be modified if it seems that it does not really help solve the problems.

I should mention that this book is by no means the final version of Rewardism. Better to think of it as an initial draft, which will be scrutinized by intellectuals around the world. Possibly, Rewardism will be optimized by the professionals so as to bring it closer to perfection. So, I invite you to assess the ideas presented herein, intelligently, and creatively, and to produce even better ones. This can be considered a joint project of humanity, for the world.

“If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.” – Sun Tzu, The Art of War

*Our armor shall be objectivity which shall protect us from the blows of strong emotions and the biases we are vulnerable to. Our best weapon shall be our love for advancement, which shall help us cut down the chains we have ignored for so long. In unity is strength; together we will offset our individual shortcomings. The wisdom of our leaders and the loyalty to those leaders shall guide us to victory. What a wonderful world will people live in if we are victorious!*

## The Most Basic Assumption

*We are reasonable and capable humans who value advancement.*

This assumption is important mainly for three reasons:

- We cannot learn if we do not listen to reason, or if we are unable to reason.
- If we do not value advancement, then all reasoning is meaningless because, no matter how strong the arguments are, we will not strive for advancement.
- Despite having the ability to reason, and the will to advancement, if we are incapable of making any advancement, how can we advance?

One reason someone might not value advancement is the “Dream Argument.” The “Brain-in-a-vat Hypothesis” and the “Evil Genius Doubt” are similar reasons. To put it simply, if we cannot know with certainty that we are, in fact, in the *real* world, it does not make much sense to worry about the advancement of this world then.

I value advancement because of the possibility that this world will go on, and conscious beings will continue to live in this world after I am gone. Even if it is not the *real* world, the possibility of conscious beings living in this world in a favorable state is a good enough reason for me to put in the effort.

One might ask, “Why should I care?” We can truly show our humanity by showing that the well-off ones among us care about the poor ones. “Show it to whom?” One might ask. Well, to our own selves. It is high time we made ourselves

proud of ourselves. It is not just about pride; the strong ones can benefit from caring about the weak ones. More on this topic later.

## Causality

To put it simply: Events that we see are caused by events in the past, and they then act as causes for more effects in the future. I do not find it necessary to delve deeply into the whole Determinism vs Free Will debate for now. The reason for mentioning *causality* is to highlight the significance of focusing on the causes, rather than the effects, as in fact, the effects are really just results of the causes.

If a car stops working in the middle of the road, something must have caused it to stop working. Obviously, it is no use hating or being angry at the car. Finding out what caused the car to stop working and dealing with a reasonably deep level of causes seems much more effective. If you are in doubt, ask yourself honestly, “Can any problem exist without anything causing it?”

Thinking in causes is similar to thinking in first principles, except that the focus is on the fundamental causes, rather than the fundamental concepts or assumptions. We have to put in place causes that will most likely have the effects that we want. In other words, we have to develop a system that accounts for causality so that it affects those running it such that they run it optimally, and so that the problems are solved from the core.

## Evolution

“Man is something that shall be overcome. Man is a rope, tied between beast and overman — a rope over an abyss. What is great in man is that he is a bridge and not an end.” — Friedrich Wilhelm Nietzsche, Thus Spoke Zarathustra

By *evolution*, I understand the advancement from a simpler state to a more complex and advanced state, in material terms like physical strength, wealth, etc., and in abstract terms like knowledge, skill, expertise, etc. The system I wish to explain has the notion of evolution at its core. Perhaps, the best thing we can use this book for is to help bring about the *Übermensch*.

Suppose you compare two systems, and find out that one values peace, and maintains a stagnant environment for it, whereas the other values growth and risks disturbance of peace for it, which one is better? If you really think about it, one is focused on keeping you controlled, and the other wants to help you reach your true potential. A system that pushes you to your limits, and helps you realize your true potential, that is the real system.

As we age and become more mature, we think more in terms of what is practical or feasible, and generally, we tend to become less creative than children. The ability to think from a fresh perspective, to be creative, and to make possible what was always considered impossible is likely to catalyze evolution — not only ours, but also of other species.

## True Freedom

“Don't you believe that man is a free agent at least in a limited sense?”

Einstein smiled ingratiatingly. “I believe with Schopenhauer: We can do what we wish, but we can only wish what we must. Practically, I am, nevertheless, compelled to act as if freedom of the will existed. If I wish to live in a civilized community, I must act as if man is a responsible being.

“I know that philosophically a murderer is not responsible for his crime; nevertheless, I must protect myself from unpleasant contacts. I may consider him guiltless, but I prefer not to take tea with him.” — Excerpt from “What Life Means to Einstein, An Interview by George Sylvester Viereck”

What is *true freedom*? Ideally, having true freedom would mean being able to *decide* and do what you want. Really, being able to decide what you want seems impossible. Then, what is left is being able to do what you want. Of course, not using the ability to reason would make this kind of freedom extremely dangerous, as then it would be madness.

*I wish to free us all to the extent that we only remain slaves of reason, and love; so that no one has to live a life being a slave of others.*

## Form

“A Form is an objective 'blueprint' of perfection.” —  
wiki/Theory\_of\_forms

You must have come across Plato's theory of Forms. It might have caused you to think about the perfect version of an object. The Form of an object is its never-changing, and

abstract form that can be known through reason alone. So, let us use our ability to reason to find out how we can determine what the Form of an object is like.

One way to approach this problem is to think in terms of the functions of the Form of an object, and the Form's ability to carry out its functions. Comparing something's actual specifications and performance with its Form should help us determine how close it is to perfection.

Suppose you had to determine what an ideal computer is like; how would you approach this challenge? You can start by asking, "what exactly do computers do, and what does each part of a computer do?" Then, creatively answering these questions should help you get closer to the ideal version of a computer.

We can say that the ideal computer would compute anything instantaneously, use almost no power, be completely environment-friendly, and be safe and secure in all situations. We can then set objectives like it should have an infinite score in benchmarking, it should have a boot time of zero seconds, it should never crash or fail to boot, etc.

Practically, a difficulty in achieving perfection is that some objectives conflict with others in the sense that the achievement of one objective is at the expense of another. For example, if you focus on achieving a high computing speed, it will make it exceedingly difficult to keep the power consumption low. How can we deal with this difficulty?

One way is to rank the objectives according to their importance, and to give them preference accordingly. The importance of an objective depends on how much it helps us achieve our long-term goals. It can also be that higher

performance can be achieved, but at the cost of sustainability. Then, our principles are likely to significantly affect our decisions. The goal is to get the optimal trade-offs.

So, what would an ideal economic system be like?

## The Ideal Economic System

To understand the origin of the word “Economic,” consider this:

**economic (adj.):** 1590s, “pertaining to management of a household,” perhaps shortened from economical, or else from French *économique* or directly from Latin *oeconomicus* “of domestic economy,” from Greek *oikonomikos* “practiced in the management of a household or family” (also the name of a treatise by Xenophon on the duties of domestic life), hence, “frugal, thrifty,” from *oikonomia* “household management” (see *economy* (n.)). Meaning “relating to the science of economics” is from 1835 and now is the main sense, *economical* retaining the older one of “characterized by thrift.” – [etymonline.com/word/economic](https://www.etymonline.com/word/economic)

To put it simply: The better the resources are managed, the better the economy is. To get closer to the ideal economic system, we should ask, “what is it that an ideal economic system should achieve?” Here, it should be noted that, since this system is essentially for and by us, we can align the goals of the ideal economic system with our wants.

An ideal economic system should, by definition, achieve “optimal utilization” of resources. The resources should be utilized such that the minimum standard of living of *everyone* be “good enough,” and the standard of living of those who do “meaningful work” be commensurate with it. Let us look into



what “optimal utilization,” “good enough,” and “meaningful work” mean.

The word *optimal* means most favorable. *Favorable* is that which is in accordance with our philosophy, that which helps us realize our true potential the most is the most favorable then. An optimal solution is the most balanced solution that considers all significant factors for a given challenge. The optimal dosage of medicine, e.g., would be such that a little more or a little less than it would not be as effective.

*Utilization* means the action of making practical and effective use of whatever is being utilized. Combining optimal, and utilization, we get “the action of making practical and effective use of whatever is being utilized, in a way that is most favorable to us.” Provided that there are enough resources, by achieving optimal utilization, living standards should become good enough for everyone, and generally, the living standards should improve.

By *resource*, I mean a fundamental element which is used in the production of a good or for the provision of a service. “To which fundamental level must one break down an object to get to this fundamental element?” One might ask. Arguably the building block of the universe, if there is such a thing, is what should be called the resource, as that is what, by definition, every product is made up of, and essentially that is what is being used to provide a service.

Since it is not feasible, at least at the time of writing this, to create any object we wish out of the building block, we have to stop at the level where further breakdown would result in elements which cannot really be used or where further actual, as opposed to conceptual, breakdown is not reasonable. Reasonability of breakdown depends on whether

the further breakdown of the object is preferable over the use of the object as it is.

Take for example, a computer. A computer is itself a product and can be used to provide a range of services. But the computer is not really a resource as it can be broken down into processor, ram, etc. Those components can then be further broken down, until we have copper, silicon, etc. These elements are the real resources because further breakdown is likely to be irreversible, and because these elements can be used to make not just a computer, but other products.

For practical reasons, a computer might be considered as a resource if the breakdown of the computer is not reasonable. What fundamental level must be considered, depends on the scenario then. So, when considering the available resources, an economist can think in terms of both the availability of silicon, and the availability of computers.

Commodities and land are not the only resources; in fact, talent and time are the most valuable resources that must be carefully managed. The proper utilization of talent and time is what differentiates between the best system and an ordinary system. We will know that we are reaching our true potential when we feel like we are being pushed to our limits, but we are not being overburdened. As Ember Spirit says, "balance in all things."

To better explain what a *good enough* base standard of living is, I find it necessary to refer to John Rawls's theory of *justice as fairness*. The following is an explanation which is inspired by the thought experiment involving a *veil of ignorance*, and Alex O' Connor's version of it.

Imagine that you are given an opportunity to create a world where you will have to live. The challenges are that the resources in this world will be limited, you have no idea where you will be born and who you will be, and you do not even know whether you will be a human, i.e., you are behind a veil of ignorance.

To best approach this challenge, assume that you will be born into the worst possible condition in this world, so that you create the world in a way that is worth living in, regardless of where you start in the world. What kind of an economic system would you want in such a world?

What do you think should be a good enough base standard of living in such a world, considering that this would be your and your loved ones' standard of living? It is not only justice that you have to consider, but also causality, evolution, and true freedom.

The base standard can be deemed good enough if under the circumstances further improvement would require some people to sacrifice their living standard. Since, the base standard is, by definition, for everyone, it cannot be improved at such an expense.

The *meaningfulness* of a work is measured in terms of how much it helps improve the living standards, and how much it facilitates evolution. No effort should go unrewarded. The reward should be commensurate with the meaningfulness of the work. The rewards should act as causes for meaningful effects. This is important for stimulation, and for distinguishing those who have helped us from those who have not.

“The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.”  
– Thomas Sowell, *Is Reality Optional? And Other Essays*  
/\*verify\*/

To perfectly account for the scarcity of resources, an ideal economic system will be fully aware of the availability of all the resources and their uses — supply and *uses* in other words. For optimal transparency between the public and the system, it will keep an accurate record of all the findings. This way the public will know the status of the resources, to the extent that it needs to know, which is likely to keep the public at peace.

An ideal system would take the proactive approach and save the resources until the best possible use of the resources is not found. A significant threat to all beings is the unavailability of the resources without which life is not possible, which obviously includes the environment we live in. We can finally become a multi-galaxy specie with the right system. The possibilities are endless.

Suppose in the future we figured out how to build a supercomputer but what if we realized that the material required to build it was already used up in the past because it was very scarce? What if a future cure requires some plants that are already extinct by then? Would we not be better off if we plan ahead? If everyone were allowed to use all the resources, it is obvious what the results would be.

Keeping that in mind, an ideal system will also ensure that the best people get access to the relevant resources so that they can utilize them properly. If a scientist is at the verge of a breakthrough but does not have access to the right

resources, can we say that the system is an ideal system? By ensuring that everyone gets the resources they need, an ideal system will create an optimal environment for growth and development.

An ideal system would not only utilize the resources optimally, but it would also do it very easily. Easily here means without *noise*, or disturbance. The significance of this feature is that it ensures people can focus on their work. Evolution is more likely to occur at a fast rate then. People can then reach a level of freedom which seems impossible with an ordinary system, which is really our main goal.

Under a perfect economic system,

- Causes are prioritized over effects.
- All resources are *optimally utilized* without any *noise*. Optimal utilization being “the action of making practical and effective use of whatever is being utilized, in a way that is most favorable to *us*.” Noise being “that which distracts.”
- *True freedom* is achieved to whatever extent is logically possible.

*I dream of a world where the **truth** matters more than illusions, where conscious beings actually **live** instead of merely surviving, where no one has to struggle for their **basic needs**, where **health** matters more than wealth, where the **planet** matters more than any profit, where **connecting** matter more than links, where **memories** matter more than money, where the **race** matters more than crossing the finish-line first, where **success** of others is **celebrated**, where **evolution** is facilitated and people reach their **true potential**, where **creation** matters more than consumption, and where **everyone** can confidently claim that “**I am truly free.**”*

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## Chapter 2: Communism

We have to consider the pros and cons of Capitalism before coming up with a better system so that the benefits can be carried forward and the problems can be dealt with. Only knowing what the pros and cons are is not going to be of much benefit to us; understanding their metaphysics, and accounting for them, is what will help us produce a better system.

### The Pros

“The philosophers have only interpreted the world, in various ways. The point, however, is to change it.” – Karl Marx

The significance of the above quote is that it urges philosophers to not only interpret the world but to make use of those interpretations to bring about a great change. What good is all that interpretation if it changes nothing? Well, there have been different philosophies which promote accepting reality as it is. However, I do not think they object to development. In fact, the adoption of their philosophy itself is a development, at least according to them.

The main philosophy I am referring to here is obviously “Stoicism.” Perhaps people have this idea that demanding change is a sign of weakness. Perhaps, they think it means we are not strong enough to live under the current circumstances. Yet, they would want people to change and be stronger. Therefore, it is reasonable to promote and bring about a great change.

Intellectuals can get caught up in the abstract world of thinking, pondering, arguing, and dreaming; this can

disconnect them from the concrete world and its real problems. If it is difficult to produce a great idea, it is reasonable to assume that it is even more difficult to bring that idea to life. The point that I am trying to make here is mainly this: Let us avoid being caught up in thinking and actually try to solve real-world problems.

To better understand this point, consider this: the most intelligent man in the world thinks about all the problems of the world and he thinks, and he thinks, lost in his thoughts he even comes up with amazing solutions but due to his affinity for thinking he never really goes out into the world and actually solve those problems, rather, he just keeps thinking. Compare this man to a man who might not be as intelligent but solves real world problems to the best of his ability. Who is better for the world then?

Now, I do not intend to undermine the difficulty and complexity of certain problems we face. For instance, the challenge to optimize global economy is nowhere near a simple or easy task. Economists and philosophers in general have tried to understand and theorize about it for many centuries now. The reason for emphasizing on this quote is to urge economists and think tanks in general to not just think but actually experiment and test different approaches open-mindedly.

“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.” – Karl Marx and Friedrich Engels, The Communist Manifesto



With all the complex taxation rules, loopholes, hedge funds, cryptocurrency and what-not, optimizing management of resources and keeping advancement sustainable is simply too much to ask of even the best economists. If we somehow reduce the bigger problems into smaller, more digestible problems and introduce more simplicity, it should make it easier for the responsible parties to overcome the challenges we are all facing. Simply put, avoid “Kafkaesqueness.”

“The proletarians have nothing to lose but their chains. They have a world to win.” – Karl Marx and Friedrich Engels, *The Communist Manifesto*

If we think about it, what is the point of all this reasoning and all these efforts for a better life if the majority of us are suffering? The pleasure of a few at the expense of many is evidence of a poor economic system. The emphasis of the Communist approach on individualism, the freedom of the working class and their advancement helps push us to carefully manage this most significant of resources, i.e., “the human resource.” What is more valuable than this human resource?

If for some reason, those in power choose to ignore the proletarians, they are clearly inviting chaos. If they consider the situation of the proletarians, the enormous wealth inequality, and the envious nature of man, they will easily realize the risk they are facing. It is because of this huge risk of chaos and disturbance, that I stress on the better treatment and development of the proletarians. Even Adam Smith urged relaxation of restrictions on the colonies to avoid a major revolt.

“Smith’s interest in colonial policy is not entirely academic. He is writing just before the American colonists declared

independence from Britain. He wants to advise the British authorities that only greater freedom of trade and more proportionate political representation can head off the crisis.”  
– The Condensed Wealth of Nations, Pg 57

The challenge of class antagonism is really a central theme of The Communist Manifesto. Trying to blur the lines or completely get rid of the distinction between the classes might seem as impossible and also counter intuitive. Why should hardworking and valuable people be treated the same as useless people? The point here is not to treat everyone the same but to deal with and reduce the risk of class antagonism. This can be achieved by promoting reasonable opportunities and setting a base standard of living. The benefits of this are even highlighted by Adam Smith.

“The third role for the state is to build and maintain public works that could never yield a profit to individuals: institutions to facilitate commerce, the education of the young and the instruction of people of all ages.” – The Condensed Wealth of Nations, Pg 62

“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.” – Karl Marx and Friedrich Engels, The Communist Manifesto

We cannot deny the corrupting nature of wealth and power in general. Greed, vanity, lust for power, gluttony and laziness are all part of human nature. Without effort, concentration, training, and a strong will, one can easily be overcome by one or more of these “evils.” Possession of money and property

does not make it any easier to overcome them. Even though I disagree with not allowing people to possess property, it definitely has the benefit of reducing the chance of corruption.

If we try to imagine a world where no one owns any property, a peaceful and prosperous world does not come to the mind. Instead, if we really think about it, it can be a very chaotic world if anyone stronger than you can take over your shelter and all your hard-earned possessions. There seems to be little point in caring about any property since none of it can really be yours. Yet, paradoxically, it also means that all of it is your property, and you should take care of it. It would come down to how much people value harmony and prosperity.

One benefit of abolishing classes and not allowing anyone to own property is that this would bring an end to class-consciousness. When people stop caring about irrelevant details and are not caught up in purely materialistic pursuits, the probability of them evolving to a higher state increases. This is because they can think more purely about what kind of life they should be living and exactly what matters in this finite world. Though this might lead to nihilism, it can also mean the rise of "Übermensch." It seems obvious that when people stop worrying about clothes and start thinking about meaning, they will evolve.

Class-consciousness is more likely to be found among the wealthy people; those below the poverty line are more concerned about survival. If in a Communist society their basic needs are given the highest priority, then it is obvious that they will not have to worry about survival. While it is possible that they fall into laziness and an unproductive lifestyle, it also means that they will have more time to think

about and solve the problems of the world. As more and more people will have more time to focus on the advancement of technology, the advancement of technology will be faster.

Being free from the concerns of survival and “low-level problems,” and with a higher degree of independence, people will be able to think more clearly about what they value and how they want to live their lives. So, I believe a Communist society will promote the re-evaluation of values and philosophy in general - something which is essential for evolution. Without re-evaluation we will be stuck with the cognitive dissonance, falsehood and illusions buried in our philosophy. By rethinking what it means to live, what is true and what we ought to value, it is more likely that we will become purer.

“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.” – Karl Marx, *Capital*, Vol. 1: A Critical Analysis of Capitalist Production

Thinking, experimenting, analyzing, and verifying increases automation, which further allows more time for repeating the activities. Availability of free time improves technology, which increases the availability of free time, and the cycle continues. Since no one is dependent on any job in a Communist society, automation is not really a threat; rather, it is promoted so that humans do not have to do any boring, repetitive, and disliked jobs. If a Communist society reaches a point where almost everything is automated, then people will be able to focus on discovering and inventing purely for the joy of it, rather than because of need.

Indeed, if we have to gain the “luminous summits” of science, even philosophy and art, we have to set aside our differences, get rid of our concerns about class and luxury, overcome our “animal nature” and focus on learning. This is where I believe we can truly learn from the Communist approach; ask yourself: “Do I really care about how big my home is or how many cars I have? Or do I care more about how evolved I am in terms of knowledge and understanding of the universe, life, and the 'Self'?” It can prove difficult to answer in a Capitalist society but in a Communist one, it should be obvious. It is not that these summits cannot be achieved in a Capitalist society, it is just that the reasons are different.

The realization of the futility of accumulation of wealth, the limited time we have here, and the inevitability of death brings about the purity of will. Well, it can be depressing but... It is what it is. Only under immense pressure and heat does carbon turn into diamond. We should burn away our ignorance and embrace reality instead of going on meaningless pursuits. This purity of will and loyalty to the truth is, in my opinion, the best outcome of an ideal Communist society. Without being honest to ourselves, we are effectively living a lie and deceiving ourselves.

If we wish to bring about a system better than Communism, the new system must,

- **Focus on bringing about real change:** Just theorizing will not really solve anything.
- **Avoid *Kafkaesqueness*:** Prefer simplicity over complexity.
- **Value human resource:** Focus on the development of *everyone*.

- **Manage the risk of major disturbance:** Deal with class antagonism.
- **Modify the nature of wealth:** Wealth should not be corrupting in nature.
- **Facilitate automation:** It should ensure people are not dependent on any job.
- **Facilitate true evolution:** Help people avoid materialistic pursuits and focus on evolution in a more philosophical sense; Allow people to have enough free time to think, experiment, and evolve; And promote people to gain the “luminous summits” of science and philosophy in general.
- **Provide freedom:** Get rid of *chains* and enable *wings*; Free people from the concerns of survival and enable them to think at a *higher level*; And bring about a purity of will.

## The Cons

“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 existing social conditions. Let the ruling classes tremble at a Communistic revolution.” – Karl Marx and Friedrich Engels, The Communist Manifesto

Was the “forcible overthrow of all social conditions” and “tremble” really necessary? “Scholars and apologists have debated how much Marx really advocated violence, but followers like Mao, Lenin, Stalin, and Pol Pot seem to have taken 'forcible overthrow' pretty literally, and to have caused a great deal of trembling.” Andrew McAfee, Why I Won't Quote Marx. While I have no reasonable grounds to predict what the real intentions of Karl Marx and Friedrich Engels were, even with the purest of intentions their ideas have led

to mass exploitation. Without any property and with only one ruling class, the exploitation without resistance was inevitable.

Dealing with the corrupting nature of property was not the real problem, the core challenge was to deal with the corrupting nature of power. Had they planned how to control the ruling class, the outcome would probably have been better. Not allowing anyone to own any property not only robs them of whatever power and worth they have; it also robs them of a natural motivating factor. People are naturally motivated to satisfy the demands of the market to earn property. This property brings them respect and comfort. Without such a motivating factor, people are at a higher risk of demotivation and laziness. Without any respect and worth, they can fall into degeneracy.

Which system is more likely to work: The one where everyone must be a “saint” or the one where even the “devils” can make it work? If we really think about the assumptions supporting Communism, one of them is that people will be intelligent enough to live in and maintain harmony in the Communist society. It assumes that people will not misuse the power with which they are entrusted. It assumes that people will remain productive without any incentive. It assumes that taking control of the means of production will free the oppressed. In other words, it is a system by intellectuals for intellectuals. A system that depends on the intelligence of the people is a flawed system because people can be very stupid.

Who is more likely to come up with the best solution: The objective thinker or the emotional thinker? I believe we can agree that thinking objectively allows us to overcome our

personal biases, not fall for illusions, and produce the solution that we might not like for personal reasons, but we know it to be the best solution possible. The Communist Manifesto is a book written with blood and is a more emotional book than an objective one.

Can a system work if those in power do not support it? The approach that is not supported by those in power is unlikely to work, simply because they have the means to stop it from working. Obviously, they will try their best to not lose what they have accumulated and owned over generations. A system that rewards or facilitates them is more likely to work because they will use their means, which are substantial, to make the system work.

Which is better: A well-oiled and maintained machine or an old and rusty machine? Factors that push us to evolve are like the grease that makes the *evolving machine* act more efficiently. By getting rid of the particularly important motivating factor “reward” or property, this Communist approach affects our evolution very adversely. Had the authors planned how to reward effort and advancement, this could have been a viable system.

Even though Karl Marx and Friedrich Engels addressed the issue of laziness by pointing out that the bourgeois do not really need to earn, but they are not lazy, then why would people be lazy when they do not 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.

“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.” – Karl Marx and Friedrich Engels, *The Communist Manifesto*

Who takes better care of property: The owner or a temporary manager? While highlighting the significance of the human resource is appreciable, little heed has been given to the management of other resources. Ceasing the means of production is not necessarily the best way to manage resources. In fact, it can be argued that production is closer to optimum in private companies than in public ones; simply because the results directly affect the owner.

“For as soon as the distribution of labour 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.” – Karl Marx, *The German Ideology*

Who do you trust: A doctor who is also a fisherman, a hunter, a herdsman, and a critic, or a doctor who specializes in a very narrow but complex area of study? Clearly a specialist is more valuable to the customer than a *jack of all trades*. The authors of *The Communist Manifesto* clearly undermine the

significance of specialization. One can specialize and still have some hobbies to remain sane. For example, a lady-doctor can make sketches in her free time, an engineer can be a chess player, etc.

If we wish to bring about a system better than Communism, the new system must avoid:

- **A violent shift from the old ways to the new ones:** A peaceful way should be given preference over violence as a means to deploy the new system.
- **Opposition from those in power:** Accounting for the concerns of those in power will make a system more likely to be established, simply because they will support it.
- **Emotional and illogical thinking:** Objective and logical thinking will help us establish a better system through avoiding falsehoods and harmful exaggerations.
- **Losing the benefits of the old system:** Benefits such as motivation and respect given by property, enhanced productivity by specialization, etc., should be accounted for.
- **Giving anyone unfettered power:** To avoid the unreasonable exploitation of resources, including human resource, by any being, the new system must balance power distribution; however, I realize that this is more a matter of politics than economics.

## Conclusion

It seems unreasonable to doubt the *purity of will* of the authors of The Communist Manifesto. They honestly analyzed the world around them. They saw how miserable the

proletariats were. They realized the stark difference in the living standards of the bourgeois and the proletariat. They felt the invisible chains of the “unlucky ones.” They highlighted the significance of class antagonism. It can be argued that it was only humane to try to get rid of the chains.

Perhaps Communism is an approach of intellectuals for intellectuals to live as intellectuals. It focuses on the significance of a community and brotherhood, freedom from materialistic pursuits, attainment of knowledge for purely the value of it rather than for monetary reasons, advancement of science and technology, automating the boring and disliked jobs, individualism, and purity. These, along with the promotion of free education and condemnation of child labor, are clearly appreciable.

We can learn from the book and adopt what we consider good and ignore what we consider harmful or unnecessary. We can promote better public services and more humane treatment of all living beings while allowing people to own property. We can re-evaluate what is true wealth, freedom, and being “civilized.” We can try to make our will purer and make decisions more objectively, overcoming our “raw instincts.” We can listen before we give orders. We can think about the future while enjoying the present. We can bring change peacefully. Let the ruling classes rejoice at an evolutionary revolution.

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## Chapter 3: Capitalism

I understand that there is not just one kind of Capitalism, so I should begin by clarifying what exactly am I criticizing in this chapter. By Capitalism, I mainly mean the ideal form of the money-based system, of which the most popular proponent is Adam Smith. By money, I mean the fungible, transferrable, and hidable tool that is used to facilitate trade. You can get an idea of the form of Capitalism being criticized by the quote preceding the criticism.

### The Pros

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages.” – Adam Smith, *The Wealth of Nations*, Book I

Capitalism is a very practical system, in the sense that it does not require us to be saints or intellectuals; as Adam Smith explains, it works not because of our humanity but our self-love. The laws of supply and demand are evidence of the market being self-regulating. It is because of this nature of the market and humans' tendency to earn a profit that resources are drawn to their most valued application, i.e., wherever there is a demand, there is a possibility to earn a profit and so, resources are optimally utilized for fulfilling demands.

“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.” – The Condensed Wealth of Nations, Page 36

Capitalism punishes misuse of capital and irresponsible consumption. Those who have excessive wealth can afford extravagance, but their extravagance is what improves the condition of their suppliers. Their suppliers may not necessarily be wealthy. So, capital flows from unproductive hands to productive hands. When people who cannot afford irresponsible consumption do not manage their expenses, they generally end up under debt or in much darker corners of life. So, it can be argued that Capitalism promotes responsible management of resources, especially capital.

Uneconomic usage of resources and efforts for low-demand products are naturally unsustainable in Capitalism because people enjoy profits but do not bear losses for long. This means that naturally, resources are utilized by those who can best utilize them for fulfilling the highest demand. This obviously depends on a lot of factors like buying-power, peace, sustainability of what is being demanded, etc. At least in theory, uneconomic activities cannot survive for long in a Capitalist society.

“In general, if any branch of trade, or any division of labour, be advantageous to the public, the freer and more general the competition, it will always be the more so.” – Adam Smith, The Wealth of Nations, Book II

“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.” – Adam Smith, *The Wealth of Nations*, Book IV

Capitalism works best when the level of competition is high. Competition is high when more and more people have access to capital, knowledge, and experience. Reducing trade restrictions, facilitating entry into a profession, providing free education, and making capital more accessible are likely to increase the level of competition in the market. Not just between employers but also employees and owners. This competition improves the efficiency of the “invisible hand.”

Is it not obvious that in a highly competitive market, prices will be lower than if competition was low? Goods, services, and labor will become cheaper because of abundance and our natural tendency to give a better deal than our competitors. Where production becomes uneconomic, it quickly ceases to exist because it is exceedingly difficult for it to survive in a more competitive market than a non-competitive one. In a non-competitive market, inefficient production can be compensated by setting higher prices, but this is not feasible in a more competitive market.

This need for higher competition naturally promotes better education and more liberty for everyone. The wealthy employers benefit from abundance of labor because this means lower cost of labor. So, this means they naturally promote the advancement of people so that they can provide better goods and services while also increasing their profits. The wealthy get wealthier, and the common people become more skilled. This natural increase in knowledge and expertise can be argued to be our evolution.

The competitive and brutal but rewarding environment set in a capitalist society is quite ideal for our evolution. This is

because it pushes us to our limits, not just to survive but to win and prove ourselves better than our competitors. The suffering of being penniless and the pleasure of being able to buy whatever we want are both effective factors for making us put in the maximum possible effort. To run a successful business, we have to find the right problems to solve and the right way to solve them. This way, our problem-solving skills are enhanced.

Companies who keep using and improving latest technologies are normally the ones who have the competitive edge. To keep up with the competition, competitors have to come up with at least similar or preferably better technology; otherwise, they suffer from lower rates of profit or even losses and become unsustainable. So, we can say, in a way Capitalism is responsible for the rapid advancement in science and technology. Without the profit incentive and death threat, it seems unlikely that such rapid growth is possible.

“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.” – Adam Smith, *The Wealth of Nations*, Book V

It can be argued that people perform tasks better when their performance directly affects their own well-being. Companies who take better care of customers' needs generate more wealth than their competitors because customers are more willing to pay them than their competitors. So, we can argue that companies have to perform at a certain level in order to compete with their competitors, which means that our needs

are more likely to be better taken care of in Capitalism by private for-profit companies than non-profit organizations.

Without the fear of losing customers and bankruptcy, leaders might not perform at the level they would if they did have this fear. With a proper justice system and a medium for voicing our suggestions, companies who depend on us for their profits perform the best they can to fulfill our desires to maintain a decent reputation. Without a certain level of competition, it seems unlikely that we would have these benefits. The efforts of politicians and businesspeople to diminish competition and freedom should therefore be resisted.

“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. He is at all times surrounded by unknown enemies, whom, though he never provoked, he can never appease, and from whose injustice he can be protected only by the powerful arm of the civil magistrate continually held up to chastise it.” – Adam Smith, *The Wealth of Nations*, Book V

With the accumulation of wealth, comes the need for security, law and order and a proper justice system. Since the ruling class directly benefits from a carefully designed justice system, it can be argued that they will use their means to make sure it works to safeguard their wealth. Indeed, they are expected to contribute more to the public purse because they benefit more and can afford to contribute more. So, Capitalism promotes justice and forces people to abide by the laws. When law and order is maintained, people can focus on



improving their condition without having to worry about injustices.

“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.” – Adam Smith, *The Wealth of Nations*, Book V

When war is financed through taxes, rather than loans, private capitals suffer greatly and if progressive taxation is implemented, the wealthy ones or the ruling class suffer the most. Therefore, true capitalists desire to get the war financed through loans or to put an end to the war. So, in a way, Capitalism opposes war and promotes safety and security of people who are potential customers, shareholders, or employees. This is especially true for multinational organizations, who are arguably powerful enough to end wars together, if not alone.

In a Capitalist society, employees are paid according to the work they do. This means that slavery cannot really exist there. Slaves have to be forced to work; this is primarily because they do not expect any reward for the efforts they put in. Even if it seems cheap, it is the least cost-effective sort of labor. People are more likely to perform better if they see any point in doing so, for example, some bonus, some share in the profits, etc. Therefore, we can conclude that Capitalism opposes slavery and promotes rewarding efforts appropriately.

For the sake of argument, let us assume that all the countries of the world are actually cities of one big country. Then, there is no international trade because there is only one nation. So, the preoccupation with international trade makes no sense.

Is it not true that if a country is producing more than it consumes, it is saving and adding to its capital? Is it not wasteful to produce in one geographical area that which can be bought cheaper from another? Capitalism opposes trade restrictions and promotes free market internationally to maximize economy.

Countries who raise trade barriers against others deny themselves the benefits of competition in the international market. When they try to be self-sufficient, they deny themselves the fruits of mastery already achieved by different countries in different products. By trying to master something that has already been mastered, they effectively reinvent the wheel. Although, more countries mastering a field means more competition, it is unnecessary after a reasonable level of competition. Is it not better to master that which has not been mastered yet? So, Capitalism promotes diversity in mastery.

It follows naturally that the advancement of other nations aids the advancement of each nation. A country who imports and exports to developed countries is likely to benefit from more advanced technology and the quality of products and services is generally going to be high. The interests of commerce have often made it necessary to post ambassadors to foreign countries. Keeping all of the above points in mind, we can reliably assume that Capitalism promotes international trade and opposes war and barriers.

To summarize, the main pros of Capitalism are:

- **Capitalism being practical:** It working because of its reliance on our self-interest, rather than our benevolence, and because the market being naturally self-regulating.

- **Wastage of resources being punished:** Those who best utilize resources to meet the highest demand being the ones who benefit the most, others failing to compete with them.
- **Competition and liberty being promoted:** Consumers benefiting from higher quality and lower prices when competition and liberty is higher; and pushing us to think more open-mindedly and to become more competent, evolving us in the process.
- **Advancement of science and technology being promoted:** Companies equipped with better technology getting tasks done more efficiently, giving them a competitive edge over others.
- **Better user experience being promoted:** Customer satisfaction becoming a matter of life and death for companies in a competitive environment, allowing customers to voice their concerns and get the best possible treatment.
- **Law and order being promoted:** Without the aid of the Civil Magistrate, owners of property running the risk of losing their property; and a safe and secure environment being best for traders to trade without fear of injustices.
- **Rewarding being promoted and slavery being opposed:** Employees normally doing their best to earn rewards such as bonuses, promotions, etc.; and rewarding appropriately encouraging better performance and confidence, meaning higher efficiency.
- **Globalization and diversity in mastery being promoted:** Countries benefitting from cheaper products and specializations of other countries, and focusing on their own specializations and cutting

unnecessary costs; and resources being better managed this way as countries avoid reinventing the wheel.

## The Cons

I must mention that I understand that money, or the love for it, is not the root of all evil because money is simply a tool for facilitating trade; it is really ignorance that is the root of all evil. Obviously, there are ways to earn money without harming others. Yet, I understand that people can do very questionable things just to acquire more money.

A profitable business is not necessarily an ethical or sustainable business. Just because a business yields high profits does not mean it is good for us. It can be damaging the environment we live in or our well-being, making it unsustainable and harmful to us. Investors naturally tend to invest in ideas that yield high profits. Generally, profit is their primary concern, anything else is secondary. The simple fact that the interests of the “ruling class” and the general public are not aligned is definitely a challenge to be overcome.

Where capital is invested, what is being consumed and the rate of consumption would not be points of concern if the key players were *enlightened* beings. It is the corrupting nature of wealth, and power in general, that makes it almost impossible to become and remain *enlightened*. We cannot just blame the providers of harmful products or services as their profits depend on consumers' consumption, and so, as people can influence investors' decisions by their demands, they are to be blamed too.

“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 Condensed Wealth of Nations, Page 41

Money or cash has some significant flaws which can, and have been, exploited. Money can easily be transferred, it can be stolen, its source can prove difficult to trace and it can be hidden. This means that those with an excessive quantity of wealth can influence decision-making. They can simply transfer a part of their wealth to the officials involved in decision-making; those officials can then hide the money or its source and get away with it. Let us not forget that both parties are simply acting in their self-interest.

The officials are not the only ones affected, anyone who needs money for whatever reason can be influenced if the price is right. This can lead people to do deeds which they do not like but they think they need to if they are to survive or fulfill their goals. In extreme cases, it can also lead to some horrible crimes. After all, “dirty money” is a word in dictionary for a reason. Would people really end up making the same decisions if money were not a factor?

Cash is meant to make transactions more feasible, which means that it flows through many different hands normally; this exacerbates the problem of germs spreading, which can be a real nuisance in a pandemic. Although modern technology has helped reduce the use of cash by replacing it with electronic payments, cash-based transactions for day-to-day needs, especially in smaller businesses, has not helped in dealing with the COVID-19 pandemic.

Politicians and organizations in power can demand “their cut” of the profits of local businesses. Businesses who dare oppose them have to face horrible consequences, unless the investors are powerful enough themselves. Extortion and

theft obviously adversely affect economy because investors are normally risk-averse, and also because the profits that could have been reinvested or paid to employees end up in pockets of people who might not be concerned with development. Transferability makes it easier to “set up a gang.”

“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. By removing his stock, he would put an end to all the industry which it had maintained in the country which he left.” – Adam Smith, *The Wealth of Nations*, Book V

Even without the threat of theft or extortion, investors can transfer their wealth to some other point in the world where the returns are similar or higher and the taxes are lower. This is not just the downside of transferability, but also of taxation. Not only the rate of tax but the rules can affect economy adversely. I mentioned 'Kafkaesqueness' earlier, without doubt, the complexity of a system can be the source of real problems such as discouraging compliance.

A system which makes compliance difficult and the fine for non-compliance high really makes life difficult. Not only can it lead to exploitation and frustration, but it can also cause tax evasion and the concealment of wealth. When people do not see the results of the wealth collected from them and realize how well the public officers pay themselves, it really

discourages them from sharing their wealth with the government. If it invites fraud, it is flawed.

“There is no art which one government sooner learns of another than that of draining money from the pockets of the people.” – Adam Smith, *The Wealth of Nations*, Book V

Adam Smith did not only warn us to be skeptical about the policies suggested by the businesspeople, but he also highlighted how kings and ministers are the greatest spendthrifts in the society. The investors naturally want to keep the competition, taxes and wages minimized. On the other hand, government officials want to be paid handsomely, so they want to maximize wages and taxes. The general public want lower tax rates, higher wages and higher competition. Clearly, interests of investors, officials and the general public are misaligned.

“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” – Adam Smith, *The Wealth of Nations*, Book I

“It is the highest impertinence and presumption... in kings and ministers, to pretend to watch over the economy of private people, and to restrain their expense... They are themselves always, and without any exception, the greatest spendthrifts in the society. Let them look well after their own expense, and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of

their subjects never will.” – Adam Smith, *The Wealth of Nations*, Book II

The luxuries of life, especially the rarest of all, are not necessarily available to those who deserve them the most, but to those who can afford them or have inherited them. In other words, if you can afford it, you can purchase it. It is possible for a person to accumulate a lot of wealth by lots of insignificant transactions; it is also possible for a person to not be well off even after doing significant things in life. It seems unfair that the former should enjoy the luxuries of life which the latter deserves more, especially if the former is a criminal.

“But what improves the circumstances of the greater part, can never be regarded as any inconveniency to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged.” – Adam Smith, *The Wealth of Nations*, Book I

The lack of a base standard of living is a flaw of Capitalism for multiple reasons. It can be argued that the most significant resource that we ought to take care of is the human resource. After all, why are we putting in all this effort to come up with a perfect system, if not for our own peace and prosperity? All suffering avoidable by better management of resources clearly indicates the failure of Capitalism. Understand that the loss of any human is effectively the loss of our specie, and arguably other species too, as a whole.



Without access to basic necessities like food, water, shelter, education, security, etc., people who can be polished enough to become researchers, doctors, scientists, developers, etc., are not reaching their true potential. Their contributions can help us deal with currently incurable diseases, global warming, transportation problems, etc. Kurzgesagt uploaded a video about Egoistic Altruism on YouTube which explains how the development of others also aids our own development.

Do you not find it absurd that people around the globe do not have access to proper education, food, and other basic necessities simply because they cannot afford them? Do you not understand how much this affects *the advancement*? Once you sincerely put yourself in the shoes of a poor person, and you consider how much potential is being wasted simply due to a lack of buying power, you will realize how big this problem really is. The purpose of highlighting this problem is not to make you sad, but to make you realize that this really is a weakness of Capitalism.

“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.” – Karl Marx and Friedrich Engels, *The Communist Manifesto*

Is it not obvious that you should not have to sell your dignity, your integrity, and even your soul to live a *good enough* life? The lack of freedom, which was also highlighted by Karl Marx and Friedrich Engels, due to dependence on money for access to the basic necessities has to be dealt with if we are to achieve true freedom. Would people not live differently if

they did not have to worry about survival? How can we evolve if our thinking is limited to survival and materialistic thoughts? It is by attaining true freedom that we can begin to think about *higher things*.

Before I explain how Capitalism hinders the development of developing and under-developed nations, I must make it clear that I understand the role of debt in the advancement of such nations. Indeed, it is difficult to say with confidence that such nations would have been more developed if they were not given any debt at all. They might not even have survived without the capital injections.

Really, the core problem is corruption--which Capitalism deals with poorly. However, let us not neglect the expense, especially the opportunity costs, of debt as a source of capital. Obviously, we cannot really expect entities to give anyone access to their wealth without expecting a return on their investment. Naturally, the return demanded is high due to the higher risk associated with developing, and under-developed nations.

To better understand how the cost of capital hinders our advancement, imagine for a moment, what if just half of the money wasted on interest was instead used for the development of the debtors. Is it not obvious that we would have advanced much more by now? Imagine all those countries having the funds required to better nourish and educate the public. It is quite difficult to claim that such development is possible under Capitalism.

Would it be too extreme to say that the debtors effectively become *modern slaves*? One meaning of the word "slave" is: "A person who is excessively dependent upon or controlled by something" – Oxford Languages. Do the creditors not

really control the debtors in a sense? Are the debtors not excessively dependent upon their respective creditors? It should be obvious then, how significant of an issue world debt is, especially since an ideal system is supposed to help us achieve true freedom.

“The man whose whole life is spent in performing a few simple operations, of which the effects 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. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become.” – Adam Smith, *The Wealth of Nations*, Book V

People depending on jobs that can be automated by AI delays automation. Automating boring and repetitive tasks saves time, capital and possibly energy. A system where automation is a threat to humans is clearly a flawed system. Would people still oppose automation if they had access to the basic necessities anyway? This does not mean that automation is not happening in a Capitalist society. However, each automated job is making the system less stable. To achieve Type II civilization status more easily, we should be able to love AI, not fear it.

“I see all this potential, and I see it squandered. God damn it, an entire generation pumping gas, waiting tables - slaves with white collars. Advertising has us chasing cars and clothes, working jobs we hate so we can buy sh\*t we don't need.” – Tyler Durden, *Fight Club*

Think about the significance of this quote. What problem is it highlighting? The problem that I want to highlight is deeper

than consumerism. You see, Capitalism leaves rewarding to *the invisible hand*. There can be high demand for arguably meaningless, or even harmful, work, whereas meaningful work can be unpopular, or even hated. The point of concern is not that meaningless work can lead to improvement in the standard of living of the people putting in the effort; if someone's standard of living improves without causing significant harm, it should not be our concern.

What should concern us is a lack of a proper criteria or system for rewarding meaningful work. Consider the implications of this limitation of Capitalism. A significant implication of this weakness is that the standard of living of those who do meaningful work might not improve at all, or even if it does improve, it might not improve to the level of those who do meaningless work, which can result in demoralization and lack of interest in working hard for advancement. It should be obvious how deeply troubling it is when the wise ones are neglected. In other words, if the most significant resource--talent-- is wasted, what good is Capitalism then?

To summarize, the cons of Capitalism are:

- **No proper rewarding mechanism being in place:** Standard of living of individuals not necessarily being commensurate with the meaningfulness or importance of the work they have done; and this shortcoming, coupled with the anonymous nature of money, allowing for the accumulation of wealth through meaningless, or even harmful, activities.
- **The interests of investors, public officials, and the general public being misaligned:** One wanting lower taxes, but the other depending on those taxes, one

wanting wages to be lower, but the other depending on those wages.

- **Money being transferable anonymously:**  
Anonymously transferable money allowing for problems like bribery, blackmail, theft, corruption, transfer of diseases, etc., to arise; and the ruling class being able to influence the key decision-makers, therefore, objective decision-making being at risk.
- **Modern slavery hindering our growth:** Debtors depending excessively on their respective creditors, and being controlled by them; money, which could be used for the development of the debtors, being wasted in the cost of capital.
- **The system being very complex:** Kafkaesqueness leading to problems such as, rules being broken, advancement being slowed down, and fraudulent activities arising.
- **A good enough base standard of living not being in place:** Living beings suffering because of the lack of access to the basic necessities of life; potential being wasted; and thinking limited to survival.
  - **True freedom not being achieved:**  
Dependence on useless or boring jobs, and needing to satisfy employers or customers really restraining people.
  - **Automation being delayed:** Dependence on jobs that can be automated delaying advancement of AI, and making it a grey area; each automated job making the system less stable.

- **Rarest luxuries not necessarily being available to the most deserving:** Rarest of luxuries given to those who can afford them, instead of those who deserve them; in other words, the source of money being irrelevant as long as the bid is the highest.
- **Enlightenment being difficult to achieve and maintain:** Many factors such as demands, undue influence, dependence, etc., making it almost impossible to become and remain enlightened.

## Conclusion

The ideal form of Capitalism, promoted by Adam Smith, can be argued to be the ideal system for our evolution and we can learn a lot from this system, especially how much it values freedom, competition and rewarding. Yet, it seems this system is no longer sustainable. As more and more people suffer from poverty and the wealthy get wealthier and wealthier, the class antagonism, the sine qua non of Marx, is proving to be a significant risk.

While a lot of effort has been put in to make Capitalism work, for example, through complex tax systems, laws and regulations, standardization and auditing, these efforts are like throwing a bucket of water onto a forest fire. Why did the Enron incident happen? Why are people suffering despite the deployment of complex tax systems? Why are we trying so hard to run a flawed system when we can produce a better one? This system is literally as old as civilization.

We now have the ability to completely get rid of cash, track sources of wealth, measure performance of companies, store very large amount of data, use that data easily, provide goods and services from any part of the world easily, automate almost any task and more importantly, learn from the data collected over the millenniums. I cannot think of any good enough reason to not utilize our advanced technology to produce a better, more sustainable, and more humane system than Capitalism and Communism.

Can you think of more weaknesses or problems associated with Capitalism? What are the causes, or sources, of these drawbacks? Think about practical solutions to these problems. Use your ability to think, after all it is an amazing ability. Let your imagination run wild. While you are at it, consider the benefits of Capitalism too; think about how it contributes to increased productivity, widespread availability of popular products and services at relatively low price, and improvement in the highest standard of living; focus on how this system has these benefits.

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## Chapter 4: An Overview of Rewardism

You probably have a lot of questions like, “Will I be able to own property?”, “Will I have to pay my employees?”, “Will there be taxes?”, “What if I don't work at all?”, “How does one become wealthier?”, etc. Instead of answering these questions one by one, perhaps it is more practical to give you an idea of what life would be like for an employee, public official, employer, a self-employed person, and an unemployed person under Rewardism. Yet, to further clear doubts, I shall answer some significant questions in the next chapter.

### Employee

Your mother makes an emergency call to the nearest hospital as she is in labor. The ambulance arrives in no time and two ladies help her board the vehicle. Upon reaching the hospital, she is rushed to the delivery room. You are born. After your mother has rested, they find out that she does not have an ID card because she forgot it in all the hassle. “No matter,” says the nurse, comforting your mother. She uses your mother's fingerprints and ID number to record the activity “Delivery.”

Your details are entered in the international register and an account for you is made. Your account is linked to your guardian, in this case your mother, until you become an adult. Your new “Necessity Points” Card is delivered to your mother. Before leaving the hospital, your mother uses your new NP Card to buy you necessities, including medicines, diapers, food, water, etc. The points get burned out of your account and the activity is recorded in both your and the pharmacy's account.



At each of your birthday, you receive more NPs than usual. Your mother uses the first extra points to buy a little baby cart for you. Again, the activity is recorded in both the relevant accounts, and the points are burned away from your account. Until you turn seven, you live in the same house and same room with your mother. She remains unemployed for the whole duration. Public officials make surprise visits occasionally to see how well your mother is treating you, according to which she receives some "Reward Points."

When you turn seven, you and your mother move to a house with two rooms near a school. You enroll there, and your mother starts teaching too. For enrolment, your ID card and fingerprints are used, and your mother's consent is taken too. Any necessities such as books and stationery are provided by the school. Your mother then views your performance, along with the rest of your activity, in *The App*. After each semester, you rate the performance of your teachers. They receive RPs according to their performance.

According to your performance and behavior, you are given a few RPs to keep you motivated. You decide to save some of them until you become an adult so that you can afford exploring your favorite parts of the world. Over the years you use your IDC, and sometimes fingerprint too, for traveling, communicating, cleaning, and other free necessities, your NPs for limited necessities, and your RPs for luxuries such as games, hotels, cinemas, etc. And so, life goes on. You experience, learn, and grow.

When you turn sixteen, your performance and interests over the year, along with the predicted future needs, are taken into account to help you decide your major. Until you turn eighteen, you prepare for examinations and interviews for

the major you have chosen. It turns out that you fail the interviews. You are asked to take a leap year or choose a different major. You take a leap year and ace the interviews on your second try. You choose your favorite professors, and the interviewer records the activity using your IDC and fingerprints.

Just like in school, your and your professors' performance is recorded semi-annually, and RPs are given accordingly. When you graduate, you have no burden of student loan. Talent managers help you utilize your talents and time to solve problems, fulfill demands, and earn RPs according to your performance and other factors like supply and demand. They mention a "Higher Status." "What higher status?" you ask. "Well, it is a way of respecting the noble minds," they reply.

"You see, not everything can be bought using RPs. Some exclusive rewards are for those who solve, or can solve, the biggest problems, who are too valuable to live among the ordinary, and who have special needs. In other words, "Higher Beings" are given a "Higher Status" to highlight, protect, and facilitate them," explains the senior manager. You look for the biggest problems to be solved, and ways to minimize suffering. You inform a talent manager that you would like to work alongside further studies.

At age 25, equipped with some experience and a lot of knowledge, you set out into the world to help and to benefit. You get a job offer from a foreign company, so you inform a talent manager and your mother. Not wanting to leave her friends and culture, your mother asks you to go on your own. Your talent manager helps you get all the required documents ready, and gets you to your destination without

you having to spend any RP. You are registered as an employee, and your designation, timings, etc., are recorded.

The company is treated as a separate entity for all legal and rewarding reasons. The specific number of RPs you are rewarded with is calculated according to a formula and some factors. After each accounting period, based on your and your employers' performance and reviews, both of you receive bonus rewards. As you climb the hierarchy specific to your profession, your base reward also increases. Your position in the hierarchy improves according to your experience and performance. The rewarding process is almost fully automated, and is monitored by an international organization.

You start living a more luxurious life, burning away your RPs while saving some for the more expensive luxuries of life. Other companies start sending you offers. You realize that the RPs do not really matter as much as the impact to be made, and the work environment and the reviews of the companies. For these reasons, the companies highlight the significance and challenges of the work to be done, the work environment provided by them, and the customer reviews they get.

"The roles are set such that a change in role cannot be made until certain years of study and/or experience are recorded. So, to become an executive officer, you must be a Bachelor with fifteen years of experience or a Master with ten," explains the HR manager at the company where you work. "So, you cannot promote me, even if you wanted to?" you ask. "Yes, promoting, like rewarding, is automatic, more or less," she answers, "however, we cannot really stop you from

being promoted. We can just submit your performance appraisal reports.”

You adopt a child from a registered organization, you are registered as the child's guardian, and the child's account is linked to you. Every now and then, surprise visits are made by public officials. If the child is happy with you, you are rewarded. You enroll her into a local school and take care of her needs. You realize you are unable to give her proper time, so you hire a childcare worker from a registered service provider. The reviews you give her impact her rewards.

You have paid leaves according to your role, which you utilize to spend more time with your child. You burn your RPs to go explore the world with her, enjoy life, and reduce suffering. You visit your mother and introduce your daughter to her. Your mother informs you that she has a terminal illness. You decide to take a break from your career to spend more time with your little family. So, your mother lives the last year of her life with you and her granddaughter. Your daughter joins a school there in the standard way.

An inheritance manager consoles you and guides you that she inherited some of her property from her father, so you will not be able to inherit that. “The property she earned herself will be inheritable,” he adds. You realize that you two started off owning almost nothing, so the non-inheritable property should be negligible. The property she inherited was just a small piece of land in a village. “We shall handle that now,” he explains, referring to the small piece of land.

You sell your mother's house, car, and some possessions. You take her books and medals with you back to the country where you worked. They continue your employment, and you now work as an executive. Your daughter moves to another

state to study. Now that she is an adult, you no longer have access to her activity except for the activity you have already seen. Having enough RPs to own properties like a residential building, a commercial building, etc., you start purchasing properties.

At age 55, on having completed the 25 years of experience required, and being 50+, you finally retire. Your daughter says she wants to be a public official because of the significance of such jobs. You tell her it is really her life and whatever makes her happy makes you happy. You realize that with the level of experience and knowledge you have now, you have a chance of earning that “Higher Status.” So, you start researching and discussing ideas with other retired friends.

At age 70, you accumulate a lot of awards and rewards for your continuous efforts, however, you fail to achieve the “Higher Status.” You tell yourself that at least you tried, and that your efforts will likely help reduce suffering. In your final years, you live with your daughter and use most of your RPs for her, although you remain the owner of the assets bought. You use The App to see all your lifetime activity, including all your transactions, your performance, and all the rewards given to you. Death.

## Public Official

RPs equivalent to the value of the property your father inherited from his mother are burned away. The rest of the RPs in his account and the properties he owned are transferred to you. The instance of inheritance, along with all the relevant calculations and transactions, is clearly recorded in both your and your father's account. His account is archived. You use most of the RPs inherited for refurbishment

of his house so that it can be made available as a luxury home.

You register the luxury home as available for rent, and the other properties as commercial properties. This way, the commercial use of properties, and the rent from the luxury home, both, provide a stream of RPs for you. Asset management specialists help you identify the ideal candidates who can best utilize the assets. The specialists get their RPs like usual. The users of these properties, the points burned, and other details are clearly recorded in the relevant accounts.

“Mommy, what exactly is your job?” asks your daughter.  
“Well, you see dear, not everyone in this world gets their reward fairly and honestly. Mommy's job is to find the bad guys who cheat and exploit. But that's not all, some companies hurt our little world and the people in it, Mommy's gotta stop them from hurting us. So really, Mommy's gotta take care of the world by ensuring people earn their luxuries fairly and sustainably,” you answer.  
“Sustainably?” “Keeping the future in mind.”

“What about your friends?” she inquires. “Well, my elderly friend is a judge who decides who is the most deserving among the bidders of an asset. My other friend deals with people who want to start a new company. She analyses and evaluates their business plan and decides whether it is a good idea to give them access to resources,” you answer. “And what if she rejects?” “Well, she has to give her reasons. People then build a better plan or challenge the reasons in court.”

“Or give up?” she asks with a mischievous grin. You laugh.  
“Who answers our complaints?” she enquires. “Well, there

are people running the sites dedicated to complaints of the public. Normally, they are public officials, like me and my friends, who are rewarded for solving the problems faced by the public. They solve problems by using the available resources economically, and keeping a record of each use of the resources, for review,” you explain. “Interesting.”

In daylight, you audit suspected people and companies, reporting the findings to the local magistrate. At night, you study “Decision Making in the Modern World,” so that one day you can responsibly decide who should access resources. On finishing your studies, you start spending more time evaluating business proposals instead of chasing after people. You get rewarded according to your role and the performance objectives you meet.

Sometimes, you get annoyed by the shallowness and stupidity, at other times, you get amazed by the ideas presented. “We already have ten companies supplying that product, meeting the highest standards; another company would be redundant, especially when there are other needs to be fulfilled,” you explain to some. The exceptional ideas are highlighted and brought to the attention of the Chief every now and then. And so, budgets are set, people are enabled, and resources are utilized.

## Employer

“Mother, I would like to know what a winning business proposal is like, so that I can get funded,” you tell your mother. “Well dear, the winning proposals I have seen in my life all seem to have one thing in common. They all solved some problem, no matter how big or small, but a real problem. If you can identify a problem that has yet to be

solved, and if you can clearly explain how you intend to solve that problem, I think you should be fine,” your mother answers.

“I’ve heard you mention the significance of the team when rejecting an application,” you mention. “Of course, a good team can turn a poor idea to a working one, but a bad team can do nothing, even with the best idea,” she adds. “So, how exactly do they decide if my team is good or bad?” “Well dear, they look at their education, experience, and responses to interview questions. Normally, if they seem like individuals capable of making the idea work, the plan is accepted.”

She adds, “There’s also the demand that has to be researched. If people are not really interested in the product or service offered, then there is really no point in continuing. Normally, this is not a point of concern for those with a great idea. However, marketing can become another challenge to be overcome.” “So, identify a problem, come up with a practical solution, come up with a team of capable individuals, and market your idea. Correct?” you ask. “Quite so.”

Before you leave the lounge, your mother lets you know, “Oh and you’ll have to decide who your clients will be. Will you help burn Necessity, Reward, or Budget Points, or will you just be making people scan their ID cards? Characteristics like the nature and size of business will affect the BPs allotted to it. And later if you decide to open up a new division or branch, it will be treated as a separate company, more or less, for multiple reasons, including performance evaluation.” “Right, thanks,” and off you go.

You produce a business plan, accounting for the tips given by your mother, which gets reviewed by several people,



excluding your mother. Your company gets registered. The funds are transferred to the company's account, and you and the CFO are given access to it. To make transactions easier, you both get a "BPs" Card each. The points given in the first year of a period are normally more than the points given in other years to allow investment in assets.

All transactions, reviews, employees, remaining budget, and all relevant details are found in The App. Accounting is done automatically whenever a transaction occurs. So, those in the finance department do not have to worry about data entry; instead, they focus on frugality. Payroll management is not an issue because rewarding is automated. The HR department focuses on the well-being, productivity, and legal matters of employees. No employee's time dedicated to the company overlaps with time dedicated to another company, and the total time dedicated by an employee is never more than sixteen hours per day.

The number of RPs earned by a company are automatically calculated using a formula that accounts for multiple factors, including:

- Level of activity (revenue, or number of ID scans \* revenue-factor).
- Whether the "Target Points" have been met.
- Golden Reviews (given using RPs) and reviews given by customers, employees, suppliers, and other stakeholders.
- Rewarding factor for the industry the company is in (according to the significance of the industry).
- Extra objectives met.
- Rate of meeting relevant standards.

You do not have to worry about profits as long as the Target Points are met, so activity matters more than profit. To verify whether the *total cost* is not more than the *total revenue*, the relevant principles of economics and accounting are used. This means that opportunity costs are considered as well when deciding whether your company is economical or not. If the total cost is more than the total revenue, this affects RPs earned, and can even lead to dissolution.

Normally, you find that you easily manage operations using the BPs given. However, in tough times, you run out of BPs. In case of an emergency, you get the BPs instantly, and you justify the urgent request later on. At other times, the request is reviewed first before the BPs are transferred. *They* tell you that companies who failed to justify a need for more BPs have been closed or their management replaced. Your requests are genuine, so, your company stays alive.

The RPs earned by a company in an accounting period are automatically transferred to the shareholders. Owning 75% of the shares, you get 75% of the RPs earned by your company. The employees owning the rest of the company get the rest of the RPs. *“So, this is how dividends work,”* you think. The organization giving your company the BPs also sets some extra objectives. Companies that go beyond merely meeting Target Points, and fulfill the extra objectives, earn bonus RPs.

You invite your friends to your wedding. One of your foreign friends, who lives in Capitalistan—a country that still follows the old cash-based system, calls you. “Hi, how are you? ... I am quite excited about your wedding and would love to be there. I am not so sure about how I will convert my money into Reward Points, though. Can you guide me?” she asks you on the phone.

“Yeah, you should definitely come over. So, to get the RPs, you just gotta make an account online to get yourself a wallet, and then you can top up your wallet, using your currency, from one of the authorized exchange companies. However, you will have to provide some evidence of how you earned your money. Not all sources of income are acceptable, but since you're employed at a hospital, it should be fairly simple for you. Just show them your pay slips, and you'll be good to go,” you answer.

Before she hangs up, she asks you, “And what about when I’m leaving, will I be able to buy back my country’s currency?” “Yes, just like you would buy any other asset using RPs. The RPs will be burned away from your account according to whatever the exchange rate is at the time, and you will get your currency,” you let her know. “Thanks. Bye!” “Bye now!”

As your mother inherited significantly valuable property from her father, you receive quite a small portion of her property. The rest becomes property to be managed by the Resource Managers (RMs). You sell the inherited property to a company that specializes in improving and utilizing such properties. As you know that you will only get RPs equivalent to the value of the properties at the time of acquiring them, adjusted for inflation since the date of acquisition, you sell the assets at that price (Value at Acquisition + Adjustment for Inflation).

You decide to expand your business further internationally. After two lengthy meetings with the RMs, you start trading internationally. A multi-currency account is opened for your company. Some of the BPs allotted to your company are burned to get the desired currencies for importing purposes and foreign operations. You have to let the authorities know

exactly what you want to do with the BPs, so that they can justify the investment to their managers.

You find the use of hedge funds, options, and futures very fruitful as your company finds its way in the global market. Such matters are managed by an authorized financial institution. Whenever a transaction is confirmed, the relevant amount of funds of all parties to the transaction are locked to deal with risks such as currency risk and counterparty risk, and also because there is no such thing as leverage. Indeed, this means that transactions do not occur without the funds to support them.

Foreign companies find your company's services and products very economical. Your company becomes a global leader for other Rewardist companies. On the end of each successful period, you, along with other shareholders and executive officers, receive bonus RPs reflecting the impact your company had on the world. The CFO resigns, and loses access to the company's account. A new CFO is registered, who is given access then.

Not having any next of kin, you decide to make the son of your best friend the inheritor of your wealth. The public official guides you that the properties inherited from your mother would not be transferred, and that all your other properties would be transferred. The public official inquires if you are being forced to do this in any way. "It's my job," he adds. "No, nobody is threatening me. I think he will make the best use of my wealth," you answer.

## Self-employed Person

Being a lone wolf, self-employment really attracts you. In college, you take additional courses on how to get good

ratings from clients, how to manage time, and what makes someone a valuable service provider. These courses are recommended to those who wish to be self-employed. On graduating, you register yourself online by entering details such as the type, location, and timing of services you wish to provide. Self-employment status is reflected in your account, and you are assigned a mentor.

Your little brother, who is exploring different career paths, asks you about the difference between an employee and a self-employed person. “As an employee, you would be working for the company that hires you, and your remuneration will not be paid using the company’s Budget Points, however, it will add to the costs to be covered. You will have to work with the team they put you in and do the work they give you. They will be able to review your work, and you will be able to review them. They can get you a bonus if you meet certain goals,” you answer politely.

You continue, “As a self-employed person, you would be working for your clients: The companies or individuals who purchase your services. You can work on your own or team up with others, so long as the client does not object. You will have more freedom in choosing and doing the work. Clients can give reviews just like they would review a company. You can review them back. There are no bonuses, but the clients can pay a premium. You are rewarded in RPs just like employers are. So, you can think of a self-employed person as being very similar to a company.”

“Right... So, what about designation?” he asks. “Well, there are no designations for self-employed people; however, the experience and reviews recorded over time allows one to charge more,” you respond. He thinks for a moment. “What if

an employee wants to become self-employed?” “Well, they have to register themselves online and their current designation is taken into account during the registration process.” “Right, thanks.” “No problem.”

You invest the BPs allotted to you in better tools to help make your tasks easier. Once in a blue moon, someone registers a complaint against you, and you have to tell some public officials your side of the story. Over the years the rates of your services increase significantly so you focus on the more interesting and complex demands. To keep you up to date with the latest technologies and regulations, the professional body you are a member of helps you with Continued Professional Development.

## Unemployed Person

Humbled by adversity, driven by passion, and inspired by elders, you embark on the pursuit of wisdom. Having no affinity for wealth or the luxurious life, you do not care about RPs. Surviving on whatever you get using your NPs, you spend most of your time researching. You find yourself mostly surrounded by educational material, research work, intellectuals, and your thoughts. At times you do not even know if it is day or night while you research your favorite topics.

In university, you focus on epistemology, ethics, metaphysics, and economics. What really interests you is evolution, especially that of ideas. You learn how so much changed over the years, what the role of ethics and economics was in it, where humans are headed, and how humans can be directed to a better future. What really fascinates you is how much

the Hegelian dialectic and the Socratic dialectic make sense, both from a holist and a reductionist point of view.

You author an article on the history of the development of the different economic systems. You explain what Capitalism was like in its initial stages and how it developed over the ages. Then you highlight the role of Communism in challenging Capitalism. You distinguish the beauty of each system from its flaws and develop a theory of how the two systems gave birth to Rewardism. "Development should not stop here," you write. "A new system shall challenge Rewardism, and together these two shall give birth to yet another system."

You dedicate the rest of your life to develop a sound framework for making ethical decisions and to perfect philosophy in general. You get RPs from time to time; sometimes for being a nice human, and at other times for your contributions to the development of the world. Your employed friends who love to listen to your interesting arguments invite you over to luxurious hotels. Your books are published; people find your works admirable and moving. With whatever RPs you have, you explore the world until your death.

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## Chapter 5: Q&A

### **Q1. How will the Points get their value?**

A. "And it is a mistake to imagine that wealth resides only in money. Money is just a medium of exchange. It is useful, because everyone accepts it. Yet what people actually want when they do accept it is not the money, but the things that they can buy with the money. Certainly, gold and silver have the merit of being more durable than some other commodities, and this adds to their usefulness as a store of value. But durability is not everything: we are perfectly happy to import wine from France and send them hardware in exchange. Nevertheless, the French are not so stupid as to amass more pots and pans than they need to cook their food, just because they are more durable. It would be a complete waste of resources. By the same token, neither we, nor any country, should seek to amass more gold and silver than is needed to facilitate trade. It would be a waste too – dead capital that would come out of the available resources we need to feed, clothe, maintain and employ the people. Money is a utensil, just like pots and pans." — The Condensed Wealth of Nations, Page 48

"I'm not sure if this question is coming from the angle of the popular idea that the dollar isn't backed by anything. Typically, the question is considered to be rhetorical, and the supposed answer is supposed to shock us into realizing that the entire American economy is a house of cards built on a sand castle.

Whether or not that is the intent of the question, know that this is not true. The dollar has value, whether or not there is such-and-such an amount of gold in some building



somewhere. Try this thought-experiment that will clarify where the value of the dollar is ultimately established.

Imagine a scenario in which the entire economy uses, say, Dogecoin. One day, the US Federal government passes a law that for whatever reason requires every person to send a the president a cupcake for his birthday. And furthermore, that cupcake must be obtained from an authorized government bake shop. The law provides some kind of penalty for failure to send a cupcake in.

What will be the effect of this provision on the economy? Well, people will want to acquire a cupcake in order to comply with the law. Where can you get it, and how? Well, if you have one of these special government-allowed cupcakes, fine. If you have two, you might want to give it to someone else so they can meet their own legal obligations. Soon, there will be those who will sell authorized cupcakes to people. And people will barter work, Dogecoin, and other goods for them. Doubtless, some people will borrow or steal them.

In this scenario, cupcakes have become valuable. But interestingly, they have become valuable to people who may not even like cupcakes. To those people, there is no intrinsic value to cupcakes; yet they still will be desperate to acquire them. And anyone with an excess — even if they think that inventory is worthless — will consider bartering them for other valuable things.

Often overlooked, this is the ultimate source of the dollar's value. You can use gold and private bartering all you want, but at some point the law requires you to send dollars to the federal government. Thus you need to get some. And so, they become valuable whether or not you particularly care for them as dirty pieces of linen.

As you can see, dollars will remain as valuable as the law makes them through 1) the requirements of the tax code and 2) the limited supply allowed into circulation. With both of these backed by the threat of legal sanctions. That value will remain as long as there is a federal government to enforce those provisions.” — Anonymous, Quora, “What is backing the American dollar?”

Again, “Money is just a medium of exchange. It is useful, because everyone accepts it.” For a currency to have value, it does not have to be backed by a commodity, but the public has to trust the governing body authorizing it. In other words, a currency has value because some powerful entity says so. Interestingly, there would not be just one organization backing the Points, but all the governments who accept Rewardism as their economic system would want their respective Points to have stable, and predictable, value. So, Points are likely to be very stable.

Imagine, for a moment, that there are two currencies, XP, and RP. Assume that  $1\text{ XP} = 1\text{ RP}$ , that 1M of each is in circulation, and some standard of living costs 100 RPs, and therefore, 100 XPs. If, by making more RPs, the total RPs in circulation increase to 2M, should 1 XP be equal to 2 RPs now? Interestingly, that is not really the case, provided that the same standard of living, as before, still costs 100 RPs. The reason is simple, it is irrelevant how much of a currency is in circulation, what really matters is what you can buy with that currency, as the main point of a currency is to facilitate trade.

Ironically, to make the RPs “worth it,” we have to make it *difficult* to get them. However, this does not mean that their supply should be reduced. It just means that you must put in the required effort to be rewarded accordingly. If you have to work hard to get a currency, that currency is obviously going to be much more “worth it,” than a currency you can just

print for yourself. So, even if the Points are potentially infinite, it is the fact that they are not *easy to get* is what adds to their value. That is why, no one should have the power of giving anyone any point without any good reason. The recorded reason behind each Point given will also add to its value.

It should be more difficult to get RPs, than any older currency. One of the key roles of the economists of the future will be to keep the difficulty level of getting RPs high enough to keep humans challenged but not so high that they do not even bother to work. A balanced rewarding mechanism would help motivate people enough to be productive. Is a challenging environment not more engaging? Rewardism helps economists by providing them controls over variables, which they can change to adjust the “difficulty level of *the game*.”

In games like Grand Theft Auto: Vice City, the virtual currency is potentially infinite, but the way the game makes that currency valuable is by rewarding players with a limited amount of it for doing some specific tasks; the task can be winning a race, controlling a territory, etc. Similarly, in games like DotA 2, the amount of virtual gold is essentially infinite, and yet it is quite valuable to each committed core player because a team with a higher net worth than its rival has a considerable advantage over it. The rewarding mechanisms and economic systems of games have played a role in the designing of Rewardism.

A natural question that follows then is, “NPs will be given to even those who do no effort, will NPs not be worthless?” Indeed, NPs would be quite worthless to the sellers of necessities as they can just get the NPs for free anyway. However, the sellers of necessities will not get NPs in return for selling necessities, they will get RPs. The possibility of

earning RPs can make the NPs-based businesses look quite lucrative; especially since, everyone will have NPs to buy the necessities from the necessities-providers. The impossibility of earning NPs, and their limited number, will also add to their value.

Rewardism has been designed such that the infiniteness of Points is not a point of concern. In other words, the system is self-controlling: To remain solvent, companies have to cover the BPs they spend, since they cannot expect to cover infinite BPs, and since they are rewarded for keeping prices low, the fact that BPs are potentially infinite is irrelevant; None shall be able to reward themselves, every reward must have a *good enough* reason associated with it, and the rewarding process shall be automated as much as feasible, therefore, excessive rewarding seems unlikely. Even a perpetuity has a finite present value, provided that the discount rate is non-zero.

These Points are going to be the currencies of a relatively modern and more developed economic system, which means that they will be free of the problems of the older currencies and cash, at least to some extent. The value of Rewardism itself will be, in a way, reflected in the value of a RP. The higher the reputation of Rewardism and its supporting entities, the more people are likely to value these currencies. So, a primary goal of the governing entities would be to keep the reputation of Rewardism and its supporting entities high.

## **Q2. Will the RP be a global currency?**

A. Since a RP reflects the economy of the region where it is used, it does not make much sense that the currency in USA should suffer from inefficiencies in Japan, and vice versa. Although, ideally, making the currency global can cause countries to cooperate, as the economic development of one country will matter to other countries as well. Realistically

though, I do not think we have evolved to that stage, at least at the time of writing this. To avoid making the deployment of Rewardism difficult, it makes sense to keep the currency specific to each country.

One can then ask, "Well, why not apply the same principle to states, and even cities?" And indeed, they would be right to ask such a question; however, we can practically follow this middle path, where states and cities would cooperate with the states and cities of their own respective country. It is debatable, however, whether the RP should be specific to a country or an even bigger region, like a continent. This can be decided by further discussions with the experts, and by taking into account what the governments want.

### **Q3. Why must the RP of a region reflect the economy of that region?**

A. Consider the following example:

$$t_0: 1 \text{ RP}_a = 1 \text{ RP}_b = 1 \text{ I},$$

$$t_1: 1 \text{ RP}_a = 2 \text{ I}, 1 \text{ RP}_b = 1 \text{ I},$$

$$t_1: 0.5 \text{ RP}_a = 1 \text{ I} = 1 \text{ RP}_b$$

Where:

$t_0$  is the start of the first time period,

$t_1$  is the start of the second time period,

$\text{RP}_a$  is the currency of country A,

$\text{RP}_b$  is the currency of country B, and where

I represents the cost of a standard of living.

At  $t_0$ , a reasonable person would be willing to buy 1  $\text{RP}_b$  for 1  $\text{RP}_a$  because she can afford the same standard of living with either of them. At  $t_1$ , the same person would not be willing to buy 1  $\text{RP}_b$  for 1  $\text{RP}_a$ , because now it takes her only half of  $\text{RP}_a$  to continue living under the same living conditions as before.

She would be willing to buy 1  $RP_b$ s for 0.5  $RP_a$ . So, as the economy of Country A has changed, the exchange rate must reflect this change for fair pricing.

**Q4. How would the initial value of the RP of a country be decided?**

A. The initial value of the RP of a country will be pegged to the value of the country's currency at the point of conversion. This way, it would be simpler to decide how to set budgets and prices, as people would be basically dealing in the same currency as before but with different characteristics. Furthermore, this would help capture the value of the country's currency with respect to other currencies. Arguably, the value of the currency of the country already reflects the economy of the country, so comparison of economy between current and previous periods should be easier this way.

**Q5. What would cause the value of a RP to change?**

A. Since the value of a region's RP reflects the economy of the region specific to that RP, then, the change in performance of the economic system in the region should be reflected in the updated RP. The way this change will be reflected is quite different from the traditional way a currency's value changes. If the performance of the economic system in the region improves by 25%, we can say that the RP is now worth 1.25 times the older RP ( $RP_o$ ). Likewise, if the performance of the economic system in the region decreases by 25%, we can say that the RP is worth 0.75 times the ( $RP_o$ ).

So, the formula for each subsequent period after the conversion point is:

$$RP_u = (1 + \sigma) * RP_o, \dots (1)$$

Since the  $RP_o$  in the first period is equal to the Original Currency (OC), the formula for the first update can be written as:

$$RP_u = (1 + \sigma) * OC \dots (2)$$

Taking (1) and (2) into account, we can derive a general formula for the nth update:

$$(n)th\ RP_{u(n)} = (1 + \sigma_{(n)}) * (1 + \sigma_{(n-1)}) * \dots * (1 + \sigma_{(n-n)}) * OC \dots (3)$$

Where:

$RP_u$  = the updated RP,

$RP_{u(n)}$  = the nth updated RP,

$RP_o$  = the RP right before the update,

$\sigma$  = the change in performance of the economic system in the period to which the update relates,

$\sigma_{(n)}$  = the change in performance in the (n)th period, and where

OC = the original currency that was in place before the conversion to Rewardism.

A broad range of factors should be accounted for when estimating  $\sigma$ . The factors can include sustainability or long-term factors, survival, or short-term factors, purchasing power, level of economic activity, rate of meeting the Target Points, employment rate, reviews, etc. This would ensure that the currency not only reflects the short-term performance in a region, but also the long-term implications for the world.

The formula for calculating the  $\sigma$  for a period can be:

$$\sigma = w_1 F_1 + w_2 F_2 + \dots + w_{(n)} F_{(n)}$$

Where:

$\sigma$  = the change in performance in the period to which the update relates,

$w_{(n)}$  = the weight of the nth factor,

$F_{(n)}$  = the percentage change in performance with respect to the nth factor, and

the sum of all weights = 1.

This way, the economists can make countries focus on the more significant factors. For example, if the economists believe that the environmental factors need to have more weight than the short-term factors, they can easily increase the weight of the environmental factors, and the rest will happen, more or less, automatically. The weight of each performance factor will be pre-defined globally to keep currencies comparable, and to avoid cherry-picking weights for increasing the  $\sigma$ .

To understand how exchange rates will be calculated, let us look at some examples.

#### Example 1: RP to CP

Let RP be the new currency of a Rewardist region, and let CP be the currency of a Capitalist country. Assume that before the conversion, the OC to CP rate was OC 100 to CP 1. At the conversion point, you would be able to buy CP 1 for a 100 RPs. Now, assume that the performance in the first period increases by 25%. The  $RP_u$  is now worth 1.25  $RP_o$ . So, assuming that the rate of OC to CP has not changed, you would now be able to buy CP 1 for just 80 RPs.



$$\begin{aligned}t0: 1 \text{ RP} &= \text{OC } 1 = \text{CP } (1 / 100) = \text{CP } 0.01, \\t1: 1 \text{ RP}_u &= 1.25 \text{ RP}_o = \text{OC } 1.25 = \text{CP } (1.25 / 100) = \text{CP } 0.0125, \\t1: \text{CP } 1 &= (1 / 0.0125) \text{ RP}_u = 80 \text{ RP}_u.\end{aligned}$$

If, for whatever reason, the rate of OC to CP changes over time to, say, OC 120 to CP 1, then:

$$\begin{aligned}t1: 1 \text{ RP}_u &= \text{OC } 1.25 = \text{CP } (1.25 / 120) = \text{CP } 0.0104, \\t1: \text{CP } 1 &= (1 / 0.0104) \text{ RP}_u = 96 \text{ RP}_u.\end{aligned}$$

It should be noted that, since the RPs are potentially infinite and are only accessible through authorized companies, so, since they are, more or less, immune from the effects of supply and demand, the rate of RP to CP can only really change if the value of CP changes, as CP is unlikely to be immune from the effects of supply and demand. So, if due to increased demand, the value of CP increases, then the rate of RP to CP would change accordingly.

Example 2:  $\text{RP}_a$  to  $\text{RP}_b$

Let  $\text{RP}_a$  and  $\text{RP}_b$  be the currencies of the Rewardist regions A and B, respectively. Assume that at the point of conversion of the latest Rewardist region, the  $\text{RP}_a$  to  $\text{RP}_b$  rate was 100  $\text{RP}_a$  to 1  $\text{RP}_b$ . If the  $\sigma$  of both countries increases by 25%, then their relative performance has not changed. Therefore, the rate would remain as 100  $\text{RP}_a$  to 1  $\text{RP}_b$ . However, if A's performance increases by 25%, and B's performance remains the same, then, the rate would become 80  $\text{RP}_a$  to 1  $\text{RP}_b$ .

If A's  $\sigma$  is +25% and B's  $\sigma$  is -25%, then:

$$\begin{aligned}1 \text{ RP}_{bu} &= 0.75 \text{ RP}_{bo} \\1 \text{ RP}_{au} &= 1.25 \text{ RP}_{ao}\end{aligned}$$

$$\begin{aligned}
100 \text{ RP}_{\text{ao}} &= 1 \text{ RP}_{\text{bo}} \rightarrow 1 \text{ RP}_{\text{au}} = 1.25 * (1 / 100) \text{ RP}_{\text{bo}} = \\
&0.0125 \text{ RP}_{\text{bo}} \\
1 \text{ RP}_{\text{bo}} &= (1 / 0.0125) \text{ RP}_{\text{au}} = 80 \text{ RP}_{\text{au}} \\
1 \text{ RP}_{\text{bu}} &= 0.75 * 80 \text{ RP}_{\text{au}} = 60 \text{ RP}_{\text{au}}
\end{aligned}$$

So, the rate would become 60  $\text{RP}_a$  to 1  $\text{RP}_b$ . Here, you might notice that the relative value of one country's RP increases by the decrease in the value of the RP, or other currency, of another country. This can lead to hostile behavior between countries; therefore, ideally, there should be one global currency so that each country cares about the performance of all other countries. However, I realize that the probability of that happening is quite low, especially initially.

If countries realize that their economy can improve by the improvement of the global economy, then, they can cooperate with other countries, even without a global currency. Global competition is not necessarily a zero-sum game. If one realizes how many other companies and people does one rely on to function efficiently, then, one can extend that analysis to countries as well. The better other countries perform, the better support one gets, provided that there is no enmity between the countries.

#### **Q6. How will the authorized exchange companies benefit from their business?**

A. Let us refer to an authorized exchange company as AEC. Assume that an AEC has 1M of currency XP, and, by default, it does not own any RP at the start. Let us say that the rate of XP to RP is 100:1. The AEC would help burn RPs at the rate of 1 RP for 100 XPs, but it would provide RPs at the rate of 1 RP for 102 XPs. To buy 10,000 XPs, a client would have to burn their 100 RPs (10,000/100). This activity would be recorded in the profiles of both the client and the AEC. To get 100 RPs

from the AEC, the client would have to transfer 10,200 XPs to the AEC. 100 RPs would automatically be credited to the client's account then. Again, the activity would be recorded in both the profiles.

First, the AEC got 100 RPs burned and gave 10,000 XPs in return. Then, it received 10,200 XPs and got 100 RPs credited to the client. By these two transactions, the net profit is 200 XPs. There can be a Higher AEC (HAEC) that deals with the standard AECs instead of regular clients, where the AEC can convert the XPs to RPs, and vice versa. The HAEC will also keep its own profit. Just like the with other companies, the AECs and the HAEC are to be rewarded for their services.

No RPs are needed in the account of the AEC for a client to get them. Recall that the source of income has to be acceptable before RPs can be given. No one will be allowed to interfere in the, more or less, automatic process of handling RPs. The AEC is rewarded because it provides its capital and services.

#### **Q7. Why are there restrictions on conversion to RPs?**

A. If it is possible to generate wealth in some non-Rewardist region in a way considered unacceptable in a Rewardist region, then there is a risk that people can just move to the non-Rewardist region, generate *shady* wealth, and convert that to RPs. Without any restrictions, this risk is not managed at all, but by demanding the source of the wealth to be converted, we can better manage this risk.

Demanding the source of an asset for the purpose of the registration of the asset is not necessary, because assets can only be registered via an activity, e.g., through burning RPs. Since the source of RPs would already be verified, any asset bought would automatically be verified. Nevertheless, some procedures can be set for ensuring that all assets recorded in

a given profile have been acquired legitimately.

There is also a risk of there being a difference in wealth generated from a given source. For example, if one can generate wealth equivalent to 1M RPs by producing CBD Products in one region, whereas the same level of activity only results in 100K RPs in another region, mainly due to a difference in the importance given to CBD Products, then there is an issue. One way to manage this risk is to ask, “How much RPs would this activity generate if it was done in our region?” This might make things seem Kafkaesque, however, if we want to close the loopholes, a little bit Kafkaesqueness is probably worth it. All of this could be avoided through proper globalization.

[Note that there is still the risk of offshore companies providing fake employment and producing pay slips that seem genuine. However, such risks are to be managed with the aid of other experts.]

**Q8. As it is not possible to transfer RPs to anyone, how will funds work under Rewardism?**

A. There will be an API that will allow investors to commit a portion of their RPs to whatever fund they wish. The RPs will still stay with them, but the fund manager will be able to make transactions using the pool of RPs. The distribution of income from investments can then be automatically transferred to the relevant parties, according to the agreement.

For example, if a transaction of 1M RPs is to be made, and there are 9 investors who contribute a total of 990,000 RPs, with 10,000 RPs being invested by the fund manager, the total of 1M RPs will be burned away, and the transaction

activities, including each portion of the asset acquired, will be recorded in the relevant accounts.

The fee of the manager will be paid for just like any other service is paid for--the RPs will be burned from all the relevant accounts, and the activities will be recorded too. A Reward for an accounting period would then be calculated on the basis of the total activity and other factors, and automatically transferred to the service provider.

**Q9. Will employers be able to control the reward earned by an employee?**

A. As remuneration expenses will be added to BPs burned when comparing the total expenses incurred with the total revenue earned, higher remuneration expenses will make it more difficult to meet the target. Employers can control remuneration expenses by controlling the number of people they hire, but this might not be enough, or at least not the most economical way. We can set the formula such that there is a non-reducible base level of reward and a controllable bonus over that. An example is:

$$R_t = (R_b * F_p * F_h) + (R_e * F_e * F_r)$$

Where:

$R_t$  is the total reward earned per period,

$R_b$  is the base reward earned per period,

$F_p$  is the factor specific to the profession of the awardee,

$F_h$  is the factor representing the awardee's position in the hierarchy specific to the profession,

$R_e$  is the raw bonus reward earned per period according to the characteristics of the employer,

$F_e$  is the factor controlled by the employer, and

$F_r$  is the factor reflecting the performance of the employee.

Economists will be responsible for setting the general base level of reward ( $R_b$ ), the  $F_p$  for each profession, the  $F_n$  for each position in the hierarchy and the  $R_e$  for each employer. A formula can be set for calculating the  $R_e$ . As employers will only be able to control the  $F_e$ , this means that they can only control the bonus part of the reward. In the worst-case scenario for employees, with an infinite supply of employees and only one employer, the  $F_e$  can drop to 0.00. Yet, there will, at least, be the base level of reward.

Employees will earn the standard reward by working for an employer who sets the  $F_e$  at 1.00. A  $F_e$  of 1.20 means a 20% extra bonus will be received, whereas a  $F_e$  of 0.80 means only 80% of the standard bonus will be received. To stay competitive, employers would have to set the  $F_e$  at a reasonable level. To meet the Target Points, employers can reduce the  $F_e$ , if needed; however, that would increase the risk of losing employees because employees will most likely want to work for an employer who has set the  $F_e$  higher.

A  $F_r$  of 1.00 reflects that the employee's performance was average. Values above (below) 1.00 signify better (lower) than average performance. This way of rewarding does not seem so difficult to understand and implement, it accounts for multiple factors, and it gives the economists, the employers, and the employees a reasonable level of control over the  $R_r$ . Therefore, with some tweaking by the experts, this should be the ideal way of rewarding employees.

**Q10. Why manually set rewarding formulas and factors when there is already the law of supply and demand?**

A. "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.” — Adam Smith, *The Wealth of Nations*, Book IV

Even though Adam Smith had the idea that no one can really direct the industry of private people “towards employments most suitable to the interest of the society,” by the use of these formulas and factors, I believe we can direct the industry. It is quite reasonable to expect people to go into professions with higher rewarding factors. Likewise, industrialists are likely to prefer industries with higher rewarding factors. This control over the rewards can also help set a base level of reward for professionals and workers, regardless of the levels of supply and demand. Without any such control, with high supply of professionals, remuneration can fall to a drastically low level.

**Q11. How will prices be kept under control?**

A. Keeping prices under control is not really a point of concern if people have enough buying power. So, our main concern will be to keep the buying power high. If needed, a rewarding formula can be made which rewards companies for making their products more affordable. It should also be noted that since the reward is based on the level of activity, among other factors, and not necessarily profits, companies are likely to keep prices low to increase their level of activity.

**Q12. Would the rewarding of lower prices, and lack of need for profits, not lead to deflation?**

A. Most likely, but the source of deflation is unlikely to be a drop in activity, rather, it is likely to be the optimization of pricing. It seems reasonable to assume that once the price level reaches the optimal point, it should remain stable there. Therefore, any deflation is likely to be temporary. The biggest

difference will not be seen in perfectly competitive markets, because price is already optimized there. Monopolistic and oligopolistic markets shall be affected the most.

**Q13. If someone sets his own house up for rent, and pays the rent to himself, would he not be able to artificially increase his income?**

A. Indeed, without appropriate measures, an artificial growth in income, or an increase in Rewards without any meaningful activity to support the increase, will be possible. So, the rewarding mechanism would have to be set such that this does not happen. One way to do this is to adjust for the revenue generated by the owner and his family members. Another way is to adjust the final reward such that there is never such a case of meaningless rewards. Yet another way is to treat every source of revenue as if it were the owner, such that the source of revenue becomes irrelevant for calculating the reward. The exact measures shall be decided with the aid of experts.

**Q14. How will financial leverage work in Rewardism, if at all?**

A. BPs allotted to companies will essentially be pseudo-debt, in the sense that they do not have to be returned but they help RMs decide if a company is economical or not; not meeting the target can lead to dissolving, just like a company not able to return debt would cease to exist. Since no kind of Point can be transferred, there can be no debt among people. No debt will be given by the RMs too because every reward given has to be justified, and only activity already done can justify a reward. A connected question then is, what shall become of the debt that people and governments owe to other entities. At the point of conversion from the previous system to Rewardism, all debt of, and in, the Rewardist



regions will have to be repaid. The ideas about repayment shall come later, in the “Deployment” chapter.

**Q15. To have a negative balance is to be under debt, so will it not be possible under Rewardism?**

A. It does not make much sense that someone should have less than zero “Reward” Points. The main idea is to reward people for their efforts and motivate them; how is a negative balance relevant then? Not allowing negative BPs balance can help control the damage caused by uneconomical companies, as the damage is limited to the BPs allotted to them. Without the possibility of a negative balance, there will be no need to keep a record of creditors. So, accounting and auditing would be relatively simple that way. As NPs can only be spent on necessities and they should normally be enough for getting the necessities of life, why should we allow a negative balance then?

I am not really an expert at cybersecurity or programming, but it seems rather obvious that a system without the possibility of having a negative balance will be more secure than a system with that possibility. I say so because without the possibility of a negative balance, it would be simply impossible to do any transaction without the Points to support it; this will not necessarily be the case if a negative balance is possible. In case we need to take actions against perpetrators who have no RPs to be burned, we can take more rehabilitative measures like making them do community service or imprisoning them to make them realize the value and cost of freedom.

**Q16. Hire purchase (HP) is essentially like taking a loan, so will this option not be enabled under Rewardism?**

A. It is quite common to pay only for the nights stayed in at a luxurious hotel room, instead of buying the whole hotel or

even just the room. Similarly, only the ticket price is paid for travelling, which is essentially the rent of using the asset. Likewise, people can just pay the rent of having the luxuries of life which would otherwise be unaffordable to own or would take years to save up for. In other words, people can take assets on lease. I understand there are many kinds of leases; for now, operating lease should be enough to highlight the significance of paying for only the use of an asset, as compared to owning it.

We can think of a HP payment as a total of the rent for using the asset and the saving for owning the asset later. What I want to bring your attention to is the fact that one does not really own the asset until the final payment is made. The asset is simply possessed by the hirer. Without the facility of HP and lease, people and companies on a strict budget would have to delay or forego the use of expensive assets. With advanced recording of transactions under Rewardism, credit ratings are likely to be very accurate. No RPs or BPs are given as a loan; they are earned the usual way. With HP option enabled and all other factors kept constant, the level of economic activity will obviously be higher. For these reasons, I believe HP option should be enabled.

**Q17. Normally, startups are not really able to generate enough revenue to meet their costs in their early stage, so how will startups be facilitated in Rewardism if there is no concept of leverage?**

A. In its early stage, a startup will be exempt from meeting the Target Points. However, the use of other methods to gauge a startup's economic performance will be necessary to prevent the wastage of resources. A startup will need to *prove itself*, just like any other company, to continue its operations, and to receive further funding.

**Q18. Would banks become irrelevant?**

A. Two major services provided by banks, providing capital to companies, and managing accounts for individuals, will be provided by the WRMO; however, that will not make banks irrelevant. Banks can assist in hire purchases by buying the asset for the full price from the seller and selling it on instalments to the buyer. Whether or not banks become irrelevant is not really a point of concern if the economic system performs good enough.

**Q19. What will be the power dynamics between a government and the WRMO?**

A. "Indeed, the system of perfect liberty leaves the state only three duties to attend to: defence, justice and certain public works." — The Condensed Wealth of Nations, Page 59

What is a government but a representation of the will of the people or the ruler. To have power over a government is to be able to go against the will of the people or the ruler represented by that Government. I do not think any nation would want any organization to control its resources against its will. Although both the Government and the WRMO will be responsible for the peace and prosperity of their subjects, they are likely to have different values and opinions about the optimal way of fulfilling their responsibilities. Ideally, RMs should be able to manage resources the way they think is optimal; however, I understand that practically, the Government is likely to impose some restrictions which the RMs will have to account for. No one is above the law, even if the law leads to suboptimal utilization of resources.

I suggest respecting the laws and the power of the Government because this avoids disturbance of peace, increases trust in the WRMO and Rewardism in general, transfers some risk and reward of decision-making to the Government, and this way there will be an entity to which

the WRMO will be answerable to. The WRMO will be mainly responsible for the management of resources, while the Government will be mainly responsible for the oversight of the WRMO. This should help reduce the likelihood of misuse of power as the RMs will be concerned about being arrested. Furthermore, the people will have some assurance that someone is watching over “this foreign organization.”

You can think of accepting Rewardism as outsourcing the “Economics Department.” Normally, in an outsourcing agreement, to remain competitive, the hired company has to account for the demands of the hiring company. Likewise, the WRMO will have to account for the demands of the governments who trust them with their resources. This does not mean that negotiations cannot be made. Expert politicians are normally particularly good at convincing people and have excellent people skills. This makes them an excellent choice for acting as intermediaries between the WRMO, the Government, and the public. They can help each party understand the concerns of the other parties. They can help resolve conflicts and make negotiations more effective. The RMs might not be as good as the politicians at dealing with people because it is one thing to deal with numbers and another to deal with people.

It should be noted that the *certain public works* is a gray area, in the sense that this responsibility can easily be delegated to the WRMO. It does not really matter whether we call a work *public* or *private*, it is simply work, which has to be done in the best possible manner. The final say shall remain with the Government, just as with every other responsibility. For example, if a certain city lacks proper educational facilities, the responsibility of developing and managing such facilities there can be undertaken by the WRMO, who shall be answerable to the Government. The

primary benefit to the countries who let the WRMO undertake such responsibilities will be the access to world class services.

**Q20. Suppose there's a substance X, which is without doubt harmful, and there is a high demand for this substance for hedonic reasons; obviously, investors will be attracted to meet this demand to increase their wealth. Under Rewardism, if the company gets a high rating from consumers and helps burn a considerable number of RPs, then wouldn't they benefit from others' demise just like in the older system?**

A. Well, they will benefit but the rewarding factor for such an industry would be much lower than other more useful industries. This would deter people from investing time and effort in providing a harmful product. An economic system is not like the government, in terms of authority, so it cannot ban the production of such a substance. People will still have the freedom to produce and consume what they like. Although, given the authority, resource managers can refuse to fund such companies, on the grounds that the resources needed by such companies can be better utilized elsewhere. Without funds, such companies will not survive. Refusals will have to be justified to avoid injustice. People will be able to challenge refusals in court.

**Q21. Will a Rewardist region be able to utilize the resources of another Rewardist region? In other words, will all Rewardist regions be considered as a whole for the purpose of management of resources?**

A. "In general, if any branch of trade, or any division of labour, be advantageous to the public, the freer and more general the competition, it will always be the more so." – Adam Smith, The Wealth of Nations, Book II

The question of utilization of foreign resources deals with the resources controlled by the WRMO, not the resources owned by other entities. If a country A was rich with a resource X but lacked the talent to optimally utilize it, and a foreign country B had the talent and resources to optimally utilize the resource X, then ideally, B should be given access to the resource X. A would want something in return for giving access to the resource. But what if B had nothing substantial to offer in return? Should X be wasted? An economic system that allows wastage of a resource is clearly not the ideal economic system, as the whole point is to optimally utilize resources.

Ideally, resources should be utilized by those who can best utilize them instead of those who happen to find them; practically, however, governments would be able to override decisions. There are two main ways a resource can be utilized by a foreign company: The resource can be transported to the foreign country and used there, or the resource can be used locally. A straightforward way to avoid the wastage of X would be to treat the national branch of a multinational company from B like a local company, and give it access to the resource. However, if it is necessary to transport X out of the country, then the RMs, company representatives and government officials would have to discuss terms and come to an agreement.

RMs will have to consider the various possible ways of utilizing a resource, this includes the possibility of the resource being utilized by a foreign country. By communicating with foreign RMs and global economists, RMs should be able to identify the best use of a resource from an international perspective. To allow foreigners to utilize resources locally is to expose the locals to international

competition and expertise. Readers of Adam Smith would know the significance of overcoming monopolies and enabling competition. RMs would best fulfill their responsibilities by convincing government officials and coming to optimal agreements from an economic perspective.

**Q22. Without any leverage or foreign investments, how would countries deal with trade deficits?**

A. "As a rich man is likely to be a better customer to the industrious people in his neighbourhood than a poor, so is likewise a rich nation. [Trade restrictions,] by aiming at the impoverishment of all our neighbours, tend to render that very commerce insignificant and contemptible." — Adam Smith, *The Wealth of Nations*, Book IV (from Adam Smith Institute)

Under Capitalism, why do we not apply the notion of *trade deficit* to cities of one country? Surely, some cities must be buying in more than they are selling out. Yet, we are not concerned about the deficits there. The main reason I understand is: The businesses in these cities operate under the same Government and have the same functional currency. We can consider all the rewardist countries to be governed by the WRMO. All the different currencies can be considered as functions of one global currency. If  $1 \text{ RP}_x = 2 \text{ RP}_y$ , then essentially, you get  $1 \text{ RP}_x$  for  $2 \text{ RP}_y$ , meaning that the person who has  $1 \text{ RP}_x$  can also be said to have  $2 \text{ RP}_y$ , and the person who has  $2 \text{ RP}_y$ , can be said to have  $1 \text{ RP}_x$ . If  $\text{RP}_x$  is considered the global currency, then  $\text{RP}_y$  is a function of it. Therefore, we do not need to worry about trade deficits on a country level, just as we do not worry on a city level.

As we move to a new world order, let us leave behind the old way of thinking. Our main concern is quite

straightforward: “Are the resources being utilized in the best way possible?” The whole notion of trade deficit seems to be a result of mercantilism. Why must we think in those terms? Is it really necessary to maximize exports and minimize imports? Is that the most economical way? Adam Smith would, and has, argued against the mercantilist view that trade restrictions must be imposed to “not let the country’s wealth go out.” Let us buy from others what we can get more economically there, and what would be uneconomical for us to produce ourselves. And let there be competition. With borders truly open for trade, the production of money has to be controlled with the utmost care. This is, perhaps, the biggest responsibility of the WRMO, as the level of NPs, BPs, and RPs will decide the level of difficulty, which will in turn affect the economy of the world.

**Q23. How will systems like the Defense System, whose activity cannot really be measured reliably, be kept under control?**

A. We can broadly categorize the expenditures of systems like the Defense System into “Remuneration Expenses,” “Operating Costs,” and “Investments.” Let us look into each one by one.

- *Remuneration Expenses*: Everyone who deserves a remuneration will be rewarded just like professionals are rewarded on the basis of their profession, where they work, and other factors. Appropriate control procedures will be set to help avoid excessive rewarding. These rewards will be given by the WRMO. The same rules and regulations apply as mentioned earlier.

- *Operating Costs*: BPs will be allotted on the basis of previously set budgets and new factors. These BPs can be



used to get the supplies needed from suppliers, just like a company would use BPs. Since there are no RPs or NPs burned or IDs scanned against the services provided by systems like the Defense System, and also because you cannot really “dissolve” them, there will have to be some other form of quality-control measures. Perhaps, people can be asked how satisfied they are with the services being provided to them. Financial managers of these systems can be inquired about the reasons behind different expenditures. Audits can be done to identify anomalies. Instead of “dissolving,” we can educate and train the key-players; if that does not work, we can replace them.

- *Investments*: BPs will be used in the normal way for investing in assets, however, investments will have to be reported separately from overheads. This will allow reviewers to better understand how resources are being utilized. For example, they will be able to know if too much or too less is being *invested in the future*. By resources *invested in the future*, I mean those resources which do not necessarily provide a benefit in the present moment, but which are likely to provide benefits in the future. For example, doing research on cancer or developing a spacecraft. Quality-control measures will be necessary to give people assurance that some future benefit will flow to them. These can include audits, reviews, appraisals, etc.

The economic management of such systems whose activity cannot be reliably measured is a complex task, and there is no best answer right now. I am in need of the assistance of other experts to give a proper answer. I believe we should focus on holding the financial managers of the future accountable, instead of limiting them to a fixed budget. Producing the ideal fixed budget seems like an exceedingly

challenging task. A fixed budget can be too restricting, causing loss of quality, or it can be too easy, allowing for extravagance. If the budget is not fixed, but the responsible party has to justify the expenditures, and is rewarded or punished accordingly, then, the expenditures will likely be justified.

**Q24. What if the elite let decision makers use their property, instead of selling or transferring it to them, as a means to bribe them?**

A. Imagine a decision maker starts driving a brand-new sports car, and someone becomes suspicious that the decision maker might have been bribed. An investigation would be quite easy to perform under Rewardism as the investigators need only look at the records of assets owned by the one under investigation. If they do not find any sports car in the records, it would be obvious that the sports car is a bribe. However, if they do find it in the records, and the purchase seems legitimate, then the investigation can be concluded.

As each transaction will be recorded in the accounts of all the parties involved, there will be little point in getting bribes in the form of assets; how will the perpetrators hide those assets? When it comes to assets that can be used in hiding and which do not really need to be liquidated for them to influence the decision maker, there is a real difficulty. We cannot really restrict the lives of decision makers so much that we keep an eye on them all the time, nor can we stop them from having the pleasures of life with *friends*.

Education, training, benefits, and pressure from society can influence the decision makers to remain loyal to the stakeholders of their decision-making. Bonus rewards can be given for making decisions that prove to be in the best interests of the stakeholders. Furthermore, competition with other decision makers and potential decision makers can

make decision makers focus on results instead of pure self-interest. Establishing proper review protocols and taking disciplinary actions accordingly would further strengthen the control over decision-making.

**Q25. What if the personal beliefs of a RM do not allow her to fund or support a company of a specific nature of business?**

A. Ideally, professionals should keep their professional-life and personal-life separate. Practically though, if funding or supporting a company is too stressful for someone, a change in assignment can be requested. For example, a vegan could ask his manager to not assign to him companies and potential companies that disgust him. In case there is no one willing to support a company, someone should make the sacrifice and do the *dirty work*, or the company would have to find support elsewhere. RMs' Managers will have to know their RMs so that they know what task is suitable for each RM.

RMs will not be allowed to reject proposals on subjective grounds. Reasoning objectively will help ensure that valid reasons are given for accepting or rejecting proposals; this way the probability of basing decisions on illusions, feelings or personal agendas would be quite low. This would also make it easier to audit decisions, as for every substantial decision made there would be proper reasoning to support it. Establishing proper review protocols and taking disciplinary actions accordingly would further strengthen the control over decision-making.

**Q26. In Capitalism, the capital allocation process is effectively outsourced to those who own the capital. And this process is further optimized by the services of professionals to manage capital. How would this be accounted for in Rewardism?**

A. Like Shareholders' wealth is dependent on the performance of the companies they invest in, RMs shall be rewarded, or punished, in accordance with the performance of the companies they invest in. To encourage diligence, each RM shall have a limited Capital to allocate. The amount of Capital a RM can allocate shall depend on the past performance of the RM.

\* \* \*

## Chapter 6: Risks and Control Procedures

### Risks

Rewardism, like other man-made systems, has some risks because of our inability to completely predict the future, and all its problems. By *risks*, I mean the threats to the optimal functioning of the system. Proactively managing the risks is likely to make the deployment phase smoother. The following approach seems reasonable: First, highlight a risk and explain why it is a point of concern; then, suggest control procedures to manage the risk. These steps should be taken after the deployment of the system as well, to help mitigate newer risks as they emerge.

**[Note:** Internal Risks, or risks that are within the system, have already been accounted for, more or less, in the previous two chapters. The risks and control procedures in this chapter mainly focus on risks outside the system that can affect it.]

#### **Risk I: Human Risk**

For a system to function optimally, all of its parts have to work optimally. If the system is not completely automated, perhaps because it is impossible for it to be automated, then part of it is the human element. Now, no matter how flawless the rest of the system is, if the human element fails, then the entire system fails. However, the right humans can even modify and make a flawed system work. So, if we let the best humans make the best system work, would it be anything less than the best?

What can make the human element of the system fail?

### A) Incompetence

No matter how concerned or ethical managers are, what good are they if they are incompetent? What good are ideas if they are not communicated? What good is a leader who cannot lead? What good are planners that cannot implement their plans, and what good is all their planning? What good is all my writing if no one is competent enough to understand, criticize and implement it to its full extent?

### B) Indifference

Even if we found the most competent people to make the system work, what if they did not care? I do not necessarily mean people who are driven purely by self-interest, because they can still prove useful if you align their interests with the interests of others. The risk I am highlighting here is that of an unethical approach to solving problems. People who are not concerned about sustainability or the well-being of others are unlikely to take such factors into account when making a decision.

## **Risk II: Compatibility Risk**

Even if we built the ideal economic system, what good would it be if we did not have the authority to run it? Suppose you claimed that the best use of a piece of land was to ranch there, and you even had the evidence to support your claim but the government, for some reason, banned ranching there, what good was your claim then? There is a risk that the optimal solutions according to the professionals might not be acceptable by the government. In the worst-case scenario, a government or the people living in an area might not allow any operation at all in that area.

## **Risk III: Input Risk**

## INPUT --> REWARDISM --> OUTPUT

If we look at the process of managing resources as there being a system which takes in input and gives some output, then if we want the best output and we already have the best system, what we really need to focus on is the input. There is a risk of basing decisions on incorrect data or poorly processed data. Just like machine learning models depend on the quality of the input data for their performance, so do economists and the models they use. If we agree that there are always some causes behind effects, then, it should be obvious why we should take the causes seriously.

## Control Procedures

We can learn from successful companies like Google, Netflix, Tesla, etc., how to manage the Human Risk. Normally, there is a Code of Conduct which guide the professionals, and some explicit or implicit standards which they must meet. Misconduct results in some disciplinary action normally. There is also a body of knowledge from which the employees benefit and to which they contribute as well. These companies are quite difficult to get into, mainly due to high competition, high requirements and difficult interviews.

It makes sense to form an organization responsible for the development, deployment, operation, maintenance, and improvement of Rewardism. We can change the name later, but for now let us call it "World Resources Management Organization" (WRMO). Since Rewardism depends heavily on a strong IT infrastructure and a broad range of specializations for it to work optimally, it is natural then that people specializing in different fields like cybersecurity, app

development, economics, asset management, etc., should become members of the WRMO.

Regardless of their chosen specialization, every individual has to follow a Code of Ethics and meet the standards set by the leaders of the WRMO. Inspiration can be taken from other professional bodies to prepare strict, but not unnecessarily strict, code and standards. Professionals should be able to understand the reasoning behind such code and standards; in other words, the whole process should not become “Kafkaesque.” Complying with rules should not feel like “box-ticking,” as that can adversely affect motivation to “do the right thing.”

### **Code of Ethics**

I must:

- Think objectively.
- Develop my professional skills to be able to perform my duties effectively and efficiently.
- Consider the consequences of my actions and should try my best to avoid, any and all undesirable consequences.
- Keep the long-term goals of humans in mind before deciding.
- Support my decisions and claims with sound logic, and evidence.
- Respect the power I temporarily have, instead of abusing it.

### **Standards**

Since most professionals, like Asset Manager, Auditor, Accountant, etc., have some standards to meet, it seems unnecessary to write down more standards at this stage. What we can do is, we can ensure that all members have



some standards, specific to their respective fields, to meet. As for those who do not have any standards to meet, we can set the standards for them. Instead of reinventing the wheel, we can just verify whether the wheel is reliable and use it if it is. This will save us time and effort which can be better utilized for other more important tasks.

### **Exams**

We do not really have to do the examination of professionals because they already have to pass technical exams to earn their credentials. What we can do instead is verify their credentials and assess whether they are acceptable according to a predefined criterion. As for any new kind of profession created for which a new kind of examination might be necessary, the pioneers can create tough exams and assess candidates objectively. Should the candidates perform satisfactorily, they can be given the new credentials.

### **Experience**

Every professional must have a predefined minimum level of experience to be able to become a member of the WRMO. This minimum level should be in accordance with the profession. For example, for an Asset Manager, the requirement can be four years but for an Accountant the requirement can be three years. Having practical experience is likely to equip professionals with practical knowledge, skills, and insights, which would make them more capable than if they had no practical experience.

### **Interview**

Human Resource Experts can be hired for taking the final interview before giving membership, as they can best judge who is worthy of being a member. Inspiration can be taken from other top companies, or we can even outsource this

task to them to ensure that only the most capable and concerned individuals become members of this organization. The barrier to entry should be high and the life at the WRMO afterwards should be equally worth it. Difficulty of interview should be in accordance with the level of responsibility to be undertaken by the candidate.

### **Proof**

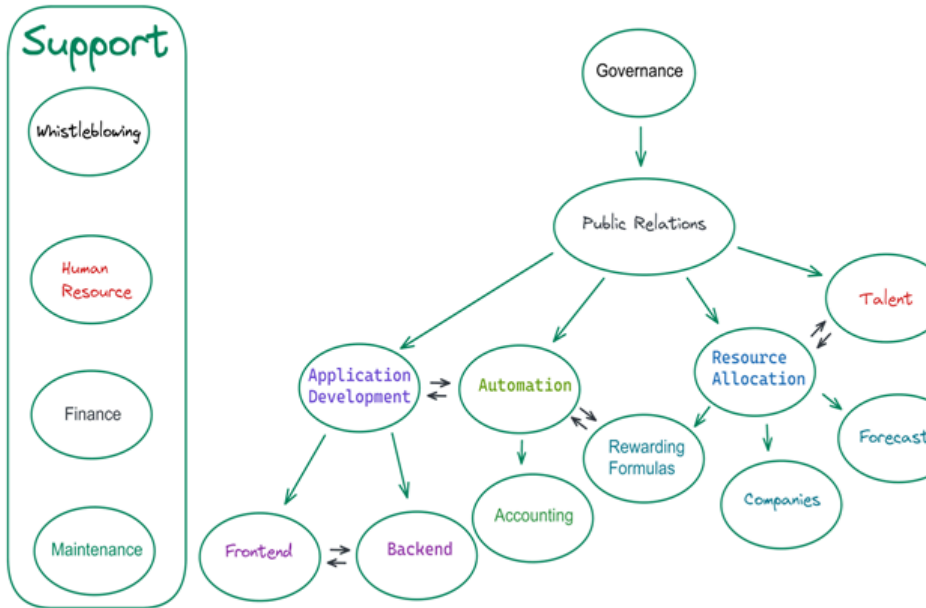
Any membership given should be backed up by proof of identity, credentials, experience, and commitment to follow the code and standards. Audits can help identify any act of nepotism or fraud. Even if they fail to identify all instances of deceit, audits help instill fear of consequences among potential perpetrators. Members are also expected to keep evidence with them, in case their membership is under doubt. Disciplinary actions against perpetrators can range from providing training sessions to bans.

### **Other Considerations**

“People respect personal qualities such as strength, wisdom, prudence and virtue; and they respect maturity and age.” – The Condensed Wealth of Nations, Page 61

This quote should be kept in mind when selecting the leaders of the WRMO. Facilitation of whistleblowing can help highlight misconduct. Training sessions and webinars for the Continued Professional Development of members can help maintain professional competence in a way that is relevant to the management of Rewardism. Feedback can be taken and acted upon to incorporate the ideas of members. Gratitude can be shown in the form of dedicated events to make members feel at home.

## The WRMO



**Figure 1:** Organizational Chart of the WRMO

### Governance

Main Purpose:

- “To govern ‘Enterprise Risk Management.’”

Responsible for:

- Setting the optimal culture of the organization.
- Setting the goals of the organization.
- Setting the risk tolerance of the organization.
- Communicating the goals and the risk tolerance of the organization to management.

- Providing guidance on achieving the goals to management.
- Overseeing the whole organization and the world in general, including understanding the concerns of leaders, and helping them solve their significant problems.
- Rewarding (punishing) above (below) average performance.
- Making adjustments in goals and risk tolerance as the conditions change.
- Enabling whistleblowers to highlight key problems in the organization.

Ideal Experts:

- Enterprise Risk Management Experts
- Corporate Governance Experts
- Philosopher Kings & Queens

## **Public Relations**

Main Purpose:

- “To manage the Compatibility Risk.”

Responsible for:

- Understanding the concerns of each government.
- Understanding the concerns of the Governance Division.
- Understanding the concerns of its sub-divisions.
- Finding the best middle way and reaching reasonable agreements.
- Maintaining a high reputation and goodwill of the WRMO in the world.

- Reporting performance, key-decisions, and reasoning behind decisions taken, or to be taken, to the relevant governments, and to the Governance Division.

#### Ideal Experts:

- Economists
- Statisticians
- Financial Analysts
- Investment Analysts
- Project Managers
- Auditors
- Accountants
- Computer Scientists
- Cybersecurity Experts
- Application Developers
- UX Designers
- Database Experts
- Big Data Experts
- Data Scientists
- AI Experts
- Psychologists
- Psychiatrists
- Pediatricians
- Dieticians
- Human Resource Managers
- Teachers
- Politicians

#### **Application Development**

##### Main Purpose:

- “To manage the Input Risk.”

Responsible for:

- Understanding the concerns of the backend.
- Understanding the concerns of the frontend.
- Connecting the backend to the frontend.
- Testing the applications and programs to identify problems, and for highlighting any missing functionality.
- Communicating all points of concerns to the leaders of its sub-divisions.
- Reporting the current, past, and forecasted status of applications to the Public Relations Division.

Ideal Experts:

- Application Developers
- UX Designers
- Computer Scientists
- Database Experts
- Big Data Experts
- Cybersecurity Experts
- Project Managers

## **- Frontend**

Main Purpose:

- “To help the main division manage the Input Risk, and to provide a seamless user experience.”

Responsible for:

- Developing state of the art applications for helping people interact with the database in a controlled manner.

- Taking feedback from users and adjusting the applications accordingly.
- Collaborating with Backend in the smooth development of applications.
- Reporting relevant information to the main division.

Ideal Experts:

- UX Designers
- App Developers
- Computer Scientists
- Cybersecurity Experts

## **- Backend**

Main Purpose:

- “To help the main division—Application Development—manage the Input Risk.”

Responsible for:

- Setting the structure of each database according to how it is intended to be used.
- Collecting data.
- Securing the data collected.
- Pruning the database.
- Making the data available in a useable form as needed.
- Establishing control procedures to help detect anomalies.
- Collaborating with Frontend in the smooth development of applications.
- Reporting relevant information to the main division.

Ideal Experts:

- Database Experts
- Computer Scientists
- Big Data Experts
- Cybersecurity Experts

## **Automation**

Main Purpose:

- “To help manage the Human Risk by controlled automation, and by the use of Expert Systems.”

Responsible for:

- Communicating with the relevant divisions and sub-divisions for understanding the technicalities, and for building the knowledgebase.
- Collaborating with the Application Development Division in developing the programs needed for successful management of the Human Risk, and in developing applications in a way that they support automation.
- Communicating with the Governance Division and the Public Relations Division to understand where human involvement is necessary, so that automation can be done in a controlled manner.
- Promoting automation so that no human has to waste time on any boring work that can be automated.
- Ensuring that the guidance from other divisions is accounted for, and that the relevant control procedures are in place for managing risks.
- Reporting the current, past, and forecasted status of automation to the Public Relations Division.



Ideal Experts:

- Experts of AI
- Computer Scientists
- Data Scientists

## **- Accounting**

Main Purpose:

- “To add relevant information about accounting to the knowledge-base.”

Responsible for:

- Understanding the latest standards, research, and developments in the accountancy field.
- Updating the knowledgebase with the latest knowledge.
- Answering the queries of other divisions and sub-divisions regarding accountancy.

Ideal Experts:

- Accountants
- Auditors

## **Resource Allocation**

Resource allocation is not limited to the allocation of a resource to the right company, but also to the right cause, and to the right era. Allocation to the right company is necessary because even if you allocate a resource to the right cause and era, the wrong company will not be able to utilize it properly. The right company, then, is that company which knows how to optimally utilize the resource, mainly because of its experience with the same or similar resources and associated projects.

The right cause is the highest cause, that which has the highest significance according to its urgency and potential for impact on the world. The right era is the era till which the resource must be preserved, for mainly the reason that the resource is scarce, and earlier consumption will deprive future generations of access to it. Since, with time technology generally improves, it is better to wait for technology to advance enough to utilize the scarce resource optimally.

**[Note:** Resources mentioned in the explanation of this division refer to the resources of the Rewardist regions, unless mentioned otherwise. Also, the ideal experts are the same in the Resource Allocation division and all its sub-divisions.]

Main Purpose:

- “To govern the resource allocation process.”

Responsible for:

- Identifying the different necessities and desires of the world, and then ranking them according to their significance.
- Setting the standards for resource allocation such that the meeting of those standards results in resources being optimally utilized.
- Communicating the different necessities, desires, their respective rankings, and the standards to the leaders of the RMs, and educating them about the best practices of resource allocation.
- Communicating with its sub-divisions to get a clear picture of the state of the resource allocation process. This state includes:

- What, and where, resources are, or will be, available.
- How resources have been allocated and used so far.
- What the results of past allocations are, and whether they are better, equal, or worse than expected.
- What the intended future use of resources is.
- The opportunity costs.
- How satisfied people and governments are with the services of the RMs.
- Further optimizing the resource allocation process according to the analysis and evaluation of the information received from the sub-divisions, while keeping in mind the previous decisions made, and their results.
- Reporting the current, past, and forecasted status of the resource allocation process to the Public Relations Division.

#### Ideal Experts:

- Economists
- Financial Analysts
- Investment Analysts
- Statisticians
- Computer Scientists
- Data Scientists
- Project Managers

## **- Rewarding Formulas**

Main Purpose:

- “To formulate optimal formulas for optimal rewarding.”

Responsible for:

- Distinguishing the factors relevant to optimal rewarding from the irrelevant ones.
- Using different models to estimate the optimal weights of reward factors, where applicable.
- Running simulations, doing scenario analyses, and running stress tests to find out the ex-ante effects of the formulas on the economy.
- Finding out the ex-post effects of the formulas on the economy.
- Taking feedback from reasonable individuals about the appropriateness of the “difficulty level,” the effects of the formulas on their motivation and other aspects of life.
- Reporting the findings to the main division.

## **- Companies**

Main Purpose:

- “To ensure that only the best companies are given access to the resources, and to enable the new companies to rise.”

Responsible for:

- Ensuring that uneconomical companies are not funded, and economical ones are.

- Reviewing performance of companies that were funded and acting accordingly.
- Governing RMs.
- Reporting performance of companies funded to the main division, along with the opportunity costs.

## **- Forecasts**

Main Purpose:

- “Forecasting the state of the resource allocation process.”

Responsible for:

- Figuring out what, and where, resources will be available in the future.
- Figuring out how resources will be allocated in the future.
- Estimating the opportunity costs of future allocations.
- Estimating the ratings of people and governments, given to RMs, in the future.
- Communicating the findings to the main division—Resource Allocation.

## **Talent**

Although talent can be considered a resource to be allocated, the reason the Talent Division is not a sub-division of Resource Allocation is that talent is such a significant resource that it makes sense to create a new division for its management. The decisions of this division shall be given preference over any other division's decision, so long as the decisions seem reasonable.

Main Purpose:

- “To help humans realize their true potential.”

Responsible for:

- Collaborating with other divisions in optimizing the complete process of the provision of necessities to people, so that people can focus on their life, instead of merely surviving.
- Taking feedback from people whether their needs are being fulfilled or not, and what improvements would they like to see, and reporting the feedback to the Public Relations Division.
- Understanding the optimal environment specific to each individual and helping them get that environment to help them perform optimally; kind of like Master Shifu understanding the best way to train Po. To help them get that environment, complex problems, such as those relating to transportation, have to be solved.
- Facilitating the *elders* to share their words of wisdom, making it easier for the young ones to benefit from the experiences of the elders.
- Preventing the violation of the rights of people.
- Highlighting any violation of the rights of people by asking them if they were forced to do anything, reviewing relevant documents, and reporting the findings to the Public Relations Division. People should not be forced to do anything, generally speaking, they can only be requested to do so. Exceptions can be made for army officers, and similar professionals. People also includes the people working in the WRMO.
- Recording the performance of the supervised talent.

- Reporting the current, past, and forecasted performance of supervised talent to the Public Relations Division.

Ideal Experts:

- Psychologists
- Psychiatrists
- Human Resource Managers
- Pediatricians
- Dieticians
- Teachers

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## Chapter 7: Deployment

Is there an optimal way to replace an economic system with a newer and better one? If there is such a way, how can we know it? Please, take a moment to think about the best feasible way we can deploy Rewardism. Who might oppose Rewardism? More importantly, why would anyone oppose it? What should we be aware of when trying to replace the older system? Please, save your answers. And, when the time is right, contribute to the deployment of Rewardism.

### 1) Preliminary

“We have changed the world so much, that it’s high time to interpret it.” — Slavoj Žižek

Is it not possible that I am unaware of some flaws in my reasoning? Perhaps, what I consider best for everyone, or what I think leads to advancement, might actually become the reason for our downfall and misery. How can I become more aware then? The answer is “constructive criticism.” In addition to being aware of the fallacies committed by others, it is by appreciating criticism of my own ideas and arguments can I learn and improve my ideas.

Before you make an investment, start a career, or take any crucial decision, what is it that you do so carefully? If you decide responsibly, first, you gather and process whatever data is available to get some useful information; then, you deeply analyze and evaluate that information. You consider as many significant possibilities as you can, weigh your options, and think about all the ways it can go wrong. You do all this to avoid regrets and realize the maximum potential.



Does it not make sense to know exactly what the change should be *before* we put in the effort to bring about that change? So, in the Preliminary Stage, the main goal is to optimize Rewardism such that the balance between its risks and rewards becomes optimal, and to communicate the final version of it so that those putting in the effort know exactly what change to bring about.

This preliminary stage is of the utmost importance as, if all goes well, most of the problems associated with Rewardism will be dealt with *before* it goes live, making it easier for it to outperform previous economic systems. If this stage is executed properly, people will trust Rewardism more because they will know that a lot of thought and effort has gone in to optimize it, and, recall from the previous chapter, that too by the most talented individuals.

There is a risk that people might not really understand Rewardism, and so, they might have irrational fears. Documenting the new system can help us manage this risk, as the documents shall act as reliable evidence of what exactly Rewardism is. Without a clear document explaining what exactly Rewardism is, the public will be left in the dark. Let us now look into the three stages of the documentation of Rewardism.

### **1A) Rewardism: The Initial Draft**

The first stage shall last about 2 years. At this stage, only the most talented ten individuals shall accompany me in preparing the initial draft. Our team shall represent the WRMO. The Initial Draft is to comprehensively explain the general version of Rewardism. The essential features of Rewardism, without which the system cannot be called Rewardism, shall be included in it.

Details like how the base standard of living will be set, and how necessities will be distinguished from luxuries, shall be included in this draft. To gain the public's trust, and therefore, to get better collaboration in the next stages, the draft is to include a detailed comparison of Rewardism, Communism, and Capitalism. This comparison is to be complimented by significant reasons for adopting Rewardism.

### **1B) Rewardism: The Mezzanine Drafts**

The second stage shall last about 3 years. Each Rewardist region shall have its own Mezzanine Draft. Once we have a general version of Rewardism to present to the key players in each region, their concerns must be understood and accounted for. The significance of a key player is directly proportional to their ability to affect, both positively and negatively, the deployment of Rewardism. Highest preference shall be given to the concerns of the most significant key player. This is all mainly to avoid opposition from them and win their support.

There is a possibility that some entities might not trust the new digital currency, or they might think of Rewardism as some sort of swindle. To manage the significant risk of *mistrust*, highly influential people shall be invited to criticize the draft relevant to them, and their reasonable ideas shall be used to improve it. A nod of their approval can significantly strengthen the public's trust in Rewardism. With the support of the influential ones, and the key players, deployment shall be quite smooth.

### **1C) Rewardism: The Final Documents**

The final stage shall last about 5 years. With the Mezzanine Drafts available to the general public, some platform shall be given to individuals to give their suggestions. This final stage will be the most difficult, as, with so many entities involved,

the probability of a conflict of interest occurring would be high. The main goal is to finalize the specific versions of Rewardism such that the risk of opposition is optimally managed. To achieve this goal, preference given to a suggestion shall be based on how influential or reputable the suggester is.

To avoid any power struggle, the documents are to clearly dictate the powers the WRMO shall have in the relevant regions. To conclude the final stage of documentation, all Final Documents are to be approved by the relevant authorities. Here, it should be noted that the *final* document does not mean that there will be no improvements in the future. There shall be *patches* in the future, accompanied by *patch notes*. Equipped with a good understanding of what exactly the change has to be, and the approval of the authorities, we shall move on to the planning phase.

## 2) Planning

It is quite obvious that just knowing *what* the change should be is not enough, as we also need to know exactly *how* to bring about that change. For this purpose, a proper plan shall be made which is to consider all significant risks, provide practical solutions to manage them, and guide the executors of the plan. The best planners are those who are aware of the significant risks and have the expertise to manage them. Risk management includes taking reasonable risks, and not just avoiding them.

It is at this stage that the heads of all the divisions of the WRMO shall be hired. They shall be responsible for the aspects of the planning that relate to their respective division. Successful planning requires the joint efforts of all the key players in the WRMO. Without collaboration, the plan

is unlikely to be well-synchronized, meaning that one head might want to lead the executors in one direction, while another head might wish otherwise. So, a “Chief Head” shall be responsible for synchronizing the various aspects of the plan.

The planning documents can be categorized broadly into two main categories: The General Plan; and the Specific Plans.

## **2A) The General Plan**

This document shall mainly be about how the WRMO is to be fully formed and become functional. It is to include details starting from the hiring of talent and ending at the verification of each product and service being up to standard. This document is to be prepared with a risk-based approach, so it shall highlight the optimal level of risk the WRMO shall take and include appropriate control procedures for the management of risk.

In the “Q&A” chapter, I wrote that the ideas about repayment of debt shall be found in the “Deployment” chapter. First, I must ask you though, do you have any relevant practical idea? The plan for repaying debt, both of, and within Rewardist regions, shall be written in the General Plan as this task relates to every Rewardist region. Let us start by trying to understand what exactly the problem is. If you really think about it, this is more a matter of human psychology than any other matter.

We do not need to appeal to the *good side* of the lenders, as it seems impractical, especially with significantly large debt involved, nor do we need to adopt any violent way, which might defeat the whole purpose of repaying debt. Why go through all that trouble when you can simply reward the lenders for lending their capital? Knowing that an international organization is committed to keeping the RPs

stable and valuable, the lenders are highly likely to be satisfied with getting their capital back in the newer and better currency.

What I am suggesting is, if there is reasonable evidence that an entity A is owed 1M USDs by entity B, since, initially the USD RP will be pegged to the USD, then the entity A shall be rewarded with 1M USDs RPs, which is likely to satisfy entity A, and shall remove the debt obligation from entity B, all without any violence or begging. Really, this process is quite similar to a third party buying an entity's receivables; in this case, the third party being the WRMO. It seems safe to assume that the creditors simply want their capital back, and that they do not really care who makes the payment.

The plan has to include ways to manage any related risks. For example, the risk of rejection of RPs due to the fear of devaluation can be managed by promising a compensation for any devaluation in the first five years after the repayment. Furthermore, a bonus of 2% can be paid for accepting the risks associated with a new currency. Clearly, the benefit to the creditors is more than just the 2%, because the repayment by the WRMO safeguards them against other significant risks like credit risk. What would otherwise be written off as bad debts, shall now be recognized as assets.

## **2B) The Specific Plans**

Each "Specific Plan" shall be specific to the Rewardist region it is made for, which shall explain how exactly Rewardism is to be deployed there. Each document shall include details starting from the hiring of workers within the relevant region and ending at the verification of Rewardism running smoothly within that region. Furthermore, each document shall include appropriate control procedures for controlling the risks associated with deployment.

Laying out the plan in terms of easy-to-understand,

achievable, and challenging objectives is likely to make it easier for the executors to follow the plan. The objectives shall reflect the specific version of Rewardism to be deployed. Deadlines and performance-based rewards for the executors shall be set at the planning stage to motivate them to work diligently and with high integrity. Before these plans can be finalized, the approval of the relevant authorities shall be taken.

### 3) Development

Following the instructions given in the General Plan, the various products and services to be provided by the WRMO shall be developed for testing purposes. At this stage, a Specific Plan would only be relevant to the extent of the development of products and services specific to the relevant region. In other words, those involved in the development process shall have to be aware of the requirements specific to different regions. Being aware of the individual requirements of all the different regions, and acting accordingly, is likely to strengthen the trust in the WRMO, and Rewardism.

### 4) Examination

Once we have developed the required products and services, we must examine them to avoid problems later on. The General Plan, the specific versions of Rewardism, and the plans for deploying them have to be examined too to identify all significant issues, so that they can be resolved. The public is likely to trust Rewardism, and the WRMO, more if they know that significant thoughts and efforts have been put in to examining it. Let us look into an example of an issue, and how to resolve it.

**The Issue:** An individual might incentivize another to claim to owe money to him, to exploit the debt-rewarding scenario. This issue is magnified by a lack of evidence of debt obligation.

**The Solutions:** The assets of individuals, of value up to the total of the debt claimed to be owed, shall be seized to prevent false claims. Making false claims shall be made a punishable offence. In absence of reliable evidence, further investigation shall be due before debt can be repaid. In case of significant doubt, no RPs shall be given. Record-keeping shall be made compulsory for audits. Whistleblowing shall be facilitated.

## 5) Execution

How easily Rewardism is effectively deployed, depends on the quality of the documents, the executors, and the overseers. The efficiency at the Execution stage depends on the performance in the previous stages. The main point of concern at this stage shall be whether *everything goes according to plan*. It seems unlikely that everything would have been planned for, so the main skill needed for proper execution is the ability to quickly and effectively respond to changes.

## 6) Verification

After the Execution stage, it naturally makes sense to verify whether Rewardism has been properly deployed. The verifiers shall heavily depend on the control procedures set within the relevant documents. These control procedures shall cover a broad range of functions of the new system. Successful verification shall imply that all the significant functions of Rewardism are live. This stage cannot be marked

completed unless all procedures, including getting the approvals, are done. Improving Rewardism shall be a continuous process, new issues shall not stop this stage from being marked completed.

## 7) Endgame

I do not expect all countries to accept Rewardism initially. Some countries might wish to see its effects on other countries first, while those other countries might want to lead the way through uncharted waters. If the deployment of Rewardism in the leading countries is verified, and it proves useful to them, then it is natural to expect a demand for Rewardism in other regions. Interestingly, while competition between countries is not unheard of, a new kind of competition shall rise: That between economic systems. Whatever happens, Rewardism can be deemed successful in the Endgame if it becomes *the* economic system for the galaxies and the millennia to come.

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## Chapter 8: Why Rewardism

“If a man knows the wherefore of his existence, then the manner of it can take care of itself.” — Friedrich Nietzsche, *The Twilight of the Idols*

If we understand why we must adopt Rewardism, we can put up with just about any hurdle. However, if no convincing reason is there, we would rather focus on other challenges. As Elon Musk puts it, “When something is important enough, you do it even if the odds are not in your favor.” The significance of doing something because it is necessary, even if it seems impossible, is also demonstrated in the famous docking scene of *Interstellar*.

Imagine, if you will, you are sitting in an auditorium, and I am on the stage. Look around at the audience. Notice there are two groups: a large group below the stage; and a very small group above it. The small group consists of bald, old, and well-dressed men, sitting on what look like thrones. The larger group consists of people wearing ragged clothes, sitting on the floor. You find yourself in the group relevant to you.

Within the audience are those who want to understand and who care about our evolution, and those who do not. As for those who do not, they are irrelevant because no matter how strong are the reasons I give, they will simply not care. Please, listen, understand, and care. You who sit on the floor, I know you care deeply about this change, and you need not much convincing. Those who really need convincing are the ones who are already well-off without the change.

**Oh you, who sit above,** know that the combined force of the larger group can be powerful enough to overthrow you. However, let us learn from history and not let the atrocities of the past repeat. You, having the power, can help bring about the change we need. If you are convinced, we shall find it easy to adopt the new system. If you oppose it, well... Let us just say, there will be complications.

## Human Nature

“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.” — Adam Smith, *The Theory of Moral Sentiments*

I understand that appealing to your virtue is not necessarily enough to convince you, however, this quote seems significant enough to be mentioned here. The significance of this quote is that it helps us realize our true nature. Generally, we do not really want to count our pennies every night, or “win at all costs”; rather, we want to do good for others, and live on after our death through our contribution to the world.

Take out some time to meditate and reflect on your true nature. Ask yourself: “What do I really want? Is it really just the accumulation of wealth? Or do I want something deeper than that?” Do you not want to connect with the world and your fellow humans, and *truly* live? What does it mean to *truly* live? Can Rewardism not help us get to our ideal world? And can it not help us better than any other economic system?

## Real Wealth

“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.” — The Condensed Wealth of Nations, Page 15

While this quote helps one realize that money is not necessarily the real wealth, it is at once neither specific nor wide enough to fully describe what real wealth is. Yes, not everyone is good at computers or surgery, and indeed, no amount of wealth can make you an expert at any complex task, unless you put in the effort. However, specialization is one of the things money cannot buy. I am sure you can come up with other important things money cannot buy.

I define real wealth simply as “realized potential.” Consider the universe we live in. It is full of opportunities. Everywhere, there is an opportunity to realize potential, in one way or another. But what is potential? And how does one realize it? By *potential*, I mean that which, if realized, excites consciousness. The higher the potential realized, the higher the excitation. The higher the excitation, the more *alive* the conscious being feels.

Assume that in a given moment there are two opportunities, A, and B. If the opportunities are such that pursuing one means forgoing the other, then realizing one’s potential means the other’s potential remains permanently unrealized. When evaluating and picking one out of many opportunities, the maximum possible permanent unrealized potential is the opportunity cost.

If you look at the universe in this manner, and every decision as picking one opportunity over another, you are likely to agree with me when I say that the true wealth we obtain in this short life of ours is the potential we realize, and that the true loss is all the unrealized potential that could have been realized. Thinking in this way is likely to help you realize how important it is to update the economic system such that we avoid the greatest loss and obtain the greatest wealth.

*Is the opportunity cost of sticking with Capitalism, instead of updating to Rewardism, not too high? Do you not realize?*

## Property

“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.”

— Adam Smith, *The Wealth of Nations*, Book V

“Smith’s argument that law and government are institutions devised by the rich to prevent them being robbed by the poor does not mean that it is a bad system. He has already remarked earlier that for 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 Condensed Wealth of Nations*, Page 62

Rewardism differs from Communism, and is similar to Capitalism, in that property can be owned, and owners can

sleep in security under the shelter of the civil magistrate. In fact, the source of property and other relevant details are to be stored in the account of the owner. Recording the details of transactions and properties will likely help with the swift provision of justice.

## The Big Forgiveness

“To err is human, to forgive, divine.” — Alexander Pope, An Essay on Criticism

How have you obtained your property? Do you oppose the change because you fear losing your property? Fear not. No matter what you have done to obtain your property, it is a matter of the past. We look on to the future. All I can say is, if I were in your place, I would have done the same. I believe so because it is fairly evident that we live in a deterministic universe. So, solving problems matter more to me than accusing and punishing.

It is not your fault that you did whatever you did. Had there been a better system in place, a system which focused on the causes and did not allow any wrongdoing, you would not have been able to do anything wrong. We are all together in this. We have failed to update the system, and we have not evolved enough to be perfect within an imperfect system. Let us all realize how much this update means to all of us, and let us forgive each other.

*I do not ask you to confess, nor do I ask you to give up your property. I offer you my hand. Do you not seek salvation?*

## Inheritance

Before I explain why I oppose inheritance, understand that all the other features of Rewardism can be implemented while still allowing for inheritance. Consider a world without the notion of inheritance. Think of the value of property in such a world. How would people perceive the well-off ones? How would life be different? Now consider the world where people inherit the properties of their ancestors. Which world better manages resources? Does it not make sense that property should belong to those who have actually earned it, instead of those who are merely born in the *right family*?

I realize that the cold turkey method might not be appropriate. An abrupt end to inheritance might be too big of a change to be feasible. That is why I suggest that we start by allowing people to inherit their immediate parents' wealth but disallowing any further inheritance. This change is not as big as completely ending inheritance, so, it is more feasible. In the future, when we have evolved enough, there can be an update (Patch "ZeroInheritance") that completely eliminates the possibility of inheritance.

## Capital Gains

Linked with the authenticity and value of property, the need for a proper rewarding mechanism, and the objectivity of officials is the issue of capital gains. To better understand what the issues at hand are, consider the following fictitious examples:

- 1. John earns his income mainly by doing heart surgery. Sam makes a living exploiting weaknesses in the*

*stock market. While John is saving lives, Sam is buying low and selling high. Arguably, John contributes more to the society than Sam. Yet, Sam earns more than John, simply by benefitting from capital gains. Do you not see what is wrong here?*

*2. Salman bought a small land and a newly developed house in a developing society in his city a year ago. Now that the society is more developed, the prices there have increased. Without doing any effort, simply by waiting a year, Salman has more than doubled his net worth. With the high demand for property in that society, he easily sells the house and locks in his profit. He holds on to the land for further capital appreciation. Do you not see what is wrong here?*

*3. Eliza, a business owner in India, wants to influence Raj, a powerful government official there. Rewardism was deployed in India but capital gains were allowed. Raj buys a simple painting for 5,000 INR RPs. Eliza offers to buy the painting for 50M INR RPs. The transaction occurs, Raj earns about 50M INR RPs, and 50M INR RPs are burned away from Eliza's account. This is recorded as a genuine transaction in both, Raj's, and Eliza's account. Do you not see what is wrong here?*

Is it not tragic how valuable talent has been wasted on meaningless pursuits? If our goal is to realize the maximum potential, which includes evolving to the highest possible point, then it is quite clear that highly intelligent scientists and mathematicians like Jim Simons have been extremely misdirected. Sure, they might have given lectures, and they might have given a lot of charity, which I appreciate, however,

what if they were directed towards solving more meaningful problems, instead of chasing trends in the market?

It is interesting how they can benefit from inefficiencies in the market but fail to realize, or do something about, their own inefficiencies. Recall how I defined real wealth and real loss. How much did such people truly lose? Again, it is not their fault. It is the system that has to be updated. Had capital gains not been a thing, they would have most likely solved much more important problems.

*Once we have closed all the doors that don't really matter, we will have no option but to open the one that does.*

## Kafkaesqueness

When you look at your life, your business, and the whole system, what do you honestly think of it? Does it all not seem very... *Kafkaesque*? The stock market judges your every move. The whole taxation system is the definition of a Kafkaesque system. Everyone is finding loopholes and exploiting any weakness they can find. The covenants are nothing less than chains. The possibility of inheritance corrupts everything, even relationships. Where is your freedom? Where is the purity of your will?

Under Rewardism, the taxation system will come to an end. Without relying on the whimsical market for funding, business owners shall have more freedom, both in their personal life, and in business. However, companies would be answerable to the WRMO, and customers would still review the products and services consumed. Yet, the level of freedom would likely be higher because the immediate, and



rather dramatic, reactions of the stock market would not be there.

In highly competitive markets, under Capitalism, companies cannot afford to focus on research when their competitors are winning customers with cheaper products. The true spirit of research work is lost in competition. This shall not be the case under Rewardism because investments are treated differently from other expenses for performance appraisal purposes. This way, companies can innovate while still remaining competitive.

“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. Government efforts to peg interest rates below their market price have the same effects. Creditors will not lend their money for less than the use of it is worth: so, borrowers have to offer them a risk premium in order to get it at its full value.” — The Condensed Wealth of Nations, Page 39

“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).” — The Condensed Wealth of Nations, Page 75

With the end of both lending and taxation, and with the source of funding being controlled by a global organization, wars between nations are likely to reduce a lot, simply because there will be no one there to finance war. Little skirmishes or riots are a different thing, but a proper war?

Not why, how? How will such wars take place? Under Capitalism, many parties have a lot to gain from war. Especially those who lend. Do you see now why we must move on to Rewardism?

## Superintending and Directing

“The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of 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.” — Adam Smith, *The Wealth of Nations*, Book IV

Notice that Smith does not really argue against the existence of the interest of the society. When arguing against the superintending and directing of the industry of private people, he assumes the interest of the society is known. Hume’s Guillotine does not really allow for any objective ought. However, for the sake of making a decision, let us assume that we have a common goal: realizing the maximum potential.

We can argue that some decisions are better than others for achieving the common goal. Doctors know what good health is, and they can tell an unhealthy lifestyle from a healthy one. They do not really say that there are no right or wrong answers to questions about a healthy lifestyle. Economists should know what a good economy is, and they should be able to tell decisions that are clearly bad for the economy from decisions that are likely to improve the economy.

If we have a common goal, and we can tell bad decisions from good decisions, then what is stopping us from *superintending the industry of private people and directing it towards the employments most suitable to the interest of the society*? In his time, Smith was probably right when he wrote, “... no human wisdom or knowledge could ever be sufficient...,” but with a newer economic system, and with the assistance of AI, his claim can be easily challenged.

The issue we must be aware of when superintending and directing, which Smith has highlighted, is being delusional. Indeed, *we shall be exposed to innumerable delusions*, and to overcome this issue, we must find a way to remain objective. For this purpose, I recommend looking at the numbers. You must have heard, “numbers don’t lie.” I find it unnecessary to go into the details at this point. Just know that performance appraisal shall be as objective as possible.

## Company Standards

The purpose of setting standards is not to make all the companies the same. Standards primarily help with reducing the likelihood of underperformance occurring. Not every company shall have to comply with each relevant standard to stay alive. Only the companies doing sensitive business shall be required to meet the main standards to stay alive. For example, a restaurant shall have to meet a minimum hygiene level to continue its business.

## Universal Basic Income

“But Shahmir, why go through all the trouble of deploying a new system, when we can just set a UBI?” The UBI can be set

in NPs, and NPs are a form of UBI, therefore, it does not seem very intuitive to compare NPs and UBI. The main idea behind setting a UBI is to set a good enough base standard of living. The lack of a good enough base standard of living is just one of the many problems that I have explained earlier and that we have to solve. Considering the many aspects of Rewardism, it is quite absurd to compare Rewardism with UBI as a solution to those problems.

## A New Game

The Korean TV show “Squid Games” highlighted an interesting issue: boredom. Perhaps, you too want something interesting to happen. Do you not find it interesting to switch from a millennia old system to an exciting new system? The whole change, the uncertainty, the risks, and the opportunities, do they not excite you? You might have mastered the old-world order, let it be now. Challenge yourself. Do you not want to play a new game?

**Oh you, the intellectuals,** what do you make of this new system? Your skepticism and curiosity shall help us identify the weaknesses of Rewardism; once we are aware of them, we can then improve it accordingly. If you are convinced that Rewardism should be the economic system of the future, we shall have assurance that we are indeed moving in the right direction.

## The Ideal Economic System

Think of the ideal economic system again. How close is Rewardism to it? Rewardism has been, and shall be, designed, in all material respects, to be like the ideal

economic system. Let us now analyze Rewardism in the context of the essential features of the ideal economic system.

Recall that under the ideal economic system:

- Causes are prioritized over effects.
  - Rewardism focuses on the causes in two ways: By removing the harmful causes; And by putting in place beneficial causes. Easily and anonymously transferable money is what allows for money laundering and other, more harmful, activities. Rewardism deals with such risks by replacing the old form of money with Points, the nature of which is quite different from the traditional money. Arguably, the lack of a good enough base standard of living causes many problems in society. Who knows to what extreme men can go to survive. An essential feature of Rewardism is to maintain a good enough base standard of living. I am sure you can think of other ways Rewardism eliminates harmful causes.  
Beneficial causes put in place include rewarding factors and formulas, Higher Status, etc. Such features are likely to influence the

masses and are put in place to direct them in the right direction. Even the name of the system, “Rewardism,” suggests that the entire system is about rewarding. What is rewarded? Every effort which the wise ones consider worth rewarding. One reason to focus on the causes is to avoid blaming that which is simply a result of prior causes. The Big Forgiveness should convince you that we want to solve problems, not point fingers.

- All resources are optimally utilized without any noise. Optimal utilization being “the action of making practical and effective use of whatever is being utilized, in a way that is most favorable to us.” Noise being “that which distracts.”
  - The WRMO, and its Resource Allocation department in particular, shall be dedicated to the optimal utilization of resources by responsible allocation. Depending on the cooperation of governments, with the help of the best talent the world has to offer, and with a deep understanding of the “way that is most favorable to us,” resources are likely to be optimally utilized under

Rewardism. User reviews shall be taken very seriously, and therefore, managing the resources without any noise or disturbance shall be a top priority of the WRMO.

- True freedom is achieved to whatever extent is logically possible.
  - By setting a good enough base standard of living, Rewardism frees us of the survival mode and enables us to stand on our feet, make our relationships purer, and dream bigger. By promoting competition and improving the process of funding, Rewardism makes it easier to access products and services. By automating the boring jobs in a sustainable manner, Rewardism allows us to focus on the more creative or human tasks, while making products and services even more accessible. By freeing us from the drive to accumulate wealth for our descendants, and by eliminating the possibility of capital gains, Rewardism directs us towards other, more meaningful pursuits. Despite all the directing, Rewardism leaves the final decision to us, and does not

really judge. For Rewardism is beyond Good and Evil.

## True Globalization

“Do you look upon yourself as a German or as a Jew?”

“It is quite possible,” Einstein replied, “to be both. I look upon myself as a man. Nationalism is an infantile disease. It is the measles of mankind.” — Excerpt from “What Life Means to Einstein, An Interview by George Sylvester Viereck”

Can your left hand owe anything to your right hand? Can your body function optimally if some part of it is denied important nutrients? Consider the entire world and all the conscious beings as a single entity, and understand that any evidence of avoidable suffering is also evidence of the weakness of The Whole. Is it not a matter of shame for us that despite having such advanced technology and knowledge, we have failed to provide for The Whole?

What is true globalization? Take the most developed country in the world and consider the whole world to be that one country, just with access to more resources. One organization with access to all the relevant information about the global economy, and with the power to change the global economy, is likely to be more effective and efficient than the divided economists of the world. The WRMO shall act as a platform to unite the best economists of the world, making it easier for them to understand and strengthen the global economy.



## Debt Repayment

You might argue that repaying the debt of people is unfair to those without any debt obligation as it is like giving free RPs to some and not to others. Consider the analogy where you have people who are either healthy (without debt) or unhealthy. Would you really say that treating the unhealthy ones to make them healthy is unfair to the healthy ones? Those who shall receive the RPs for the debt owed to them shall just be given what they were already owed, so it is justified.

## Capitalism 2.0

Under Capitalism, whoever has the upper hand, owns or controls property, and therefore, dominates others. Under Rewardism, whoever has the upper hand, owns or controls property, and therefore, dominates others. The difference, however, is the *kind of person* having the upper hand. You see, under Capitalism, those with the better weapons or with more capital are the ones who dominate, and the highest bidders are not necessarily the most deserving of the luxury. Under Rewardism, control is given to those considered the wisest, sincerest, and the most trustworthy; and ownership is given to those who actually deserve ownership.

Under Capitalism, you have those who have the capital, i.e., the investors, and those who need that capital to utilize resources, i.e., the companies. This concept is still maintained under Rewardism as the RMs can be thought of as the investors, and the companies are obviously there too. Normally, under Capitalism, investors are incredibly careful with their investments because there is a sense of ownership

and because there is a direct link between the performance of the companies invested in and the well-being of the investor. So, only the best available talent is given access to the capital. RMs, for the sake of their career and well-being, would be expected to act diligently in the same manner.

What I am trying to say is, though this looks like a tremendous change, it is not really that big a change. In fact, you would not be further from the truth to call Rewardism “Capitalism 2.0.” Can I say it will be better than traditional Capitalism? At this point, I cannot really. After all, while Economics is intuitively understood, the true value of the new system can only be known from empirical evidence, of which I obviously have nothing at this point. The system is expected to be tuned according to new evidence though. Nevertheless, we must try. We need to replace Capitalism. All the cons of Capitalism that I explained in an earlier chapter should be enough to motivate us to try and come up with a better system.

## Prelude to The System of The Distant Future

Even under Rewardism, people are expected to ask, “What is in it for me?” We have come a long way from barter trade, yet, can we say that we have *truly evolved*? I envisage Rewardism being replaced with an even more *humane* system: which expects us to overcome our selfish nature; which achieves Perfect Synergy; which allows for an even higher degree of freedom; which does not punish, nor reward, because all are *enlightened*; which makes all One.

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