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From Thread: If the dollar collapses do we get out of student loans ?

Posted by D.J. Darcy (aka Xtraeme), on March 19, 2009 at 00:21 GMT

reply to [post by Illusionsaregrandeur](#)

Originally posted by Illusionsaregrandeur

I honestly fail to see how scarcity (which you are correct is an economic principle) has anything to do with "dictating that a select few receive the lions share, ..."

In economics scarcity is a condition that exists when current resources are inadequate to provide for all of peoples wants. As supply decreases and demand increases, costs increase. Therefore those with the deepest pockets have access to scarcer resources than those with less. Hence, inherent in scarcity, and therefore economics, is a nominalist class system.

This economic definition of scarcity is deeply rooted in the Sartrean ontological view of scarcity. Quoting Elizabeth Bowman and Robert Stone's summary of a 1965 Cornell lecture on "Sartre's Morality and History,"

Life in the biological sense can either be an imperative, a value, or a good, depending on the social class of the agent. For the unfavored, life is a fundamental exigency, an imperative. For the middle class, it is a value to be produced and reproduced. For the privileged, it is a good that is automatically preserved by the labor of others and, as such, is a means for realizing other supposedly more worthy norms.

This explanation for how we behave at a very fundamental level translates very neatly in to socio-economic strata: those that have access to everything they desire; those that compete for the remainder; and others who get little to nothing.

...and **implies a theory of moral reasoning**. It sounds impressive, but you need to explain how you come to that conclusion, as I myself do not.

Put another way when demand is sufficiently high and a resource, R, approaches 0 the money involved to acquire the resource conversely approaches the ceiling, M_c. Meaning if there are 3 people in the world, 1 seller (P₀), and 2 buyers each with equal sums of cash (P₁ = P₂), money would no longer determine who gets the resource as there would no longer be a monetary inequality. (i.e. R = M_c; and, M_c = P₁ = P₂). The person receiving the item would either be randomly drawn in a lottery, selected due to favoritism, picked based on a majority vote, or given the item based on the *moral-code* of the community; to wit, modes of moral reasoning.

To go one step further lets say the resource is a single unit of food during a famine. A few methods to rationalize who to allocate the meal to is to choose the person best likely to keep the group alive, the person who hunts / forages, or the person who most needs sustenance.

Introduce a fourth person (P₃) and two of the three can now increase their odds to acquire the resource by using their greater purchasing power to collectively buy the item. (P₁ + P₂ > P₃) or (P₂ + P₃ > P₁), et cetera. Thus in effect two people out-purchase another not because they're individually more capable or deserving but because they came up with a way to game the system.

This predicates a moral dilemma. Should [an unregulated monetary system](#) replace [actual human value judgments](#) on issues that affect the entire group? Thus economics, especially as it relates to scarcity, implies a theory of moral reasoning or at the

very least provides an excuse to circumvent and ignore moral reasoning.

It also suggests that if two people ally themselves, as in the above example, that they'll almost always hold the majority position and therefore acquire any sufficiently scarce resource. Again clearly scarcity implies a class system and therefore a mode of, hopefully, sound moral judgment to determine who falls where in the structure.

As described by Leach, "In a class system social status and economic security go together." ([Leach 1960: 6](#))

Originally posted by Xtraeme

I don't advocate meritocracy in its pure form (IQ + effort = merit), because if soil creates castes, the machine manufactures classes – classes to which people can be assigned by their achievement or ascribed by wealth at birth.

A meritocracy would NEVER assign someone to a class by their wealth at birth. ... It is inherently fair, in the sense that merit is based upon capacity to do a particular job.

I'll wax less poetic as it seems to confuse rather than clarify.

I was trying to illustrate that in the here-and-now of the 21st century "wealth at birth," still largely determines social status. In switching to a pure meritocracy we would exchange one class system for another. One where those who are the smartest and strongest percolate to the top; a lower tier of people who are middling in talent; and a bottom tier of those who, whether through personal fault or because of genetic disposition, find themselves licking the boot-heels of the upper echelons of society.

When I said "the machine manufactures classes" I meant that we as humans fall in to social classes because as a group we collectively, though perhaps unconsciously, promote societal stratification. I suspect this is in no small part due to the marriage of scarcity with a mode of moral reasoning – particularly cultural value-systems. For example, in the past humanity strongly believed in theocracy. Thus our ancestors lavished monies on religious authorities and places of worship. Later humanity chose to believe that certain people were blessed by deities or felt that certain individuals were greater than the common man. So the proletariat gave an inordinate amount of public wealth to kings and queens. Now we have a society that votes people in to position based on popularism. Thusly we throw money at celebrities and politicians.

Like any class-based system where social class is strictly defined, a meritocracy can just as easily be a dystopia as it can a utopia (ie. read Michael Young's, [Rise of the Meritocracy](#)).

This is why I've been trying to convey the importance of how economics, not just politics, underpins societal striation.

[continued below]

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From Thread: If the dollar collapses do we get out of student loans ?

Posted by D.J. Darcy (aka Xtraeme), on March 19, 2009 at 05:46 GMT

I am still annoyed at at least part of your point. You seem to be saying, and correct me if I am wrong, that some people, those who train for jobs that "have significant social benefits" should be given leeway to act in ways those who work "insignificant jobs" should not. It is classist.

So yes my ideology is classist because all systems, meritocracy's included, fundamentally inherit the class structure as it's embedded in the very notion of scarcity.

In my opinion the only way to make things truly fair is to come to grips with this notion, to explicitly state cultural priorities, and finally confront the group(s) that will suffer under the selected belief structure.

And, it in no way ensures that people who act honestly and responsibly are given a fair shake.

This is why I said I don't buy in to the notion of a pure meritocracy. As in every society there will be people at the bottom of the food chain that still deserve basic human decency despite not fitting in to the perfect design of society's goals. In the case of a meritocracy, excellence being the ultimate goal-post, not all people **should** be treated in accordance with the value they contribute back to society.

I suppose the best way to express my philosophy is to say I advocate a socialized-meritocracy.

You seem to be thinking that education and a certain job title makes you more valuable, and apparently should offer you a get out of debt free option that the uneducated does not get.

As I said above I think we should vote how we design our class system by allowing the citizens of society to determine how to allocate excess government revenue.

Yes I do feel those who are willing to go in to fields that have a greater social benefit should be rewarded and given more leniency. For the record I'm a game programmer. I don't think game programmers add much, if any, societal value. Thus I would put myself at the very bottom of the benefit pool. City planners, law enforcers, doctors, lawyers, ecologists, teachers, plumbers, sanitation engineers, etc., all of these people fill a much more integral role in my mind and therefore should be catered to, yes, disproportionately.

As a secondary means of rewarding good societal conduct I'd advocate allocating the remaining excess resource to citizens who have no criminal record and those who participate in social roles, like, town hall meetings, fire-department boosters, etc.

That said, what I find intriguing is you don't sound like you want a meritocracy at all. Rather it sounds like you want communism. For instance,

Originally posted by Xtraeme

Even if it could be demonstrated that people with lower IQs have less ability than those selected for high position, that would not mean they deserve less. Being a member of the "lucky sperm club" confers no moral right to advantage.

That's why I argue for a society based foremost on fairness.

First of all, YOU are the one who says that certain jobs that are currently compensated by high pay indicate that the individual holding that position has a greater value. I didn't. I remember arguing that garbage collectors and plumbers contribute as much or more to the overall health of a society as its doctors do. In essence, that the value to society of those positions are equivalent to the value provided by a doctor.

To say a garbage collector's value to society is equal to that of a doctor is either disingenuous or utterly lacking in self-evidence. This kind of assertion is specious at best because even if there were no garbage collectors I could easily travel to a dump-yard and dispose of my own trash.

A doctor and a garbage-man are only equivalent in a world with no scarcity.

Even in a utopian meritocracy – how do you create a world that gives all things to all people equally, based on energy put in to the system, and then justify asking the qualified few to commit an inordinate amount of their time on earth to perform a more demanding job (if only because less people are available to do it) while giving equal compensation to the man who disposes societies garbage?

And, I remember saying that our compensation system is horribly broken. That the energy one puts in should be rewarded fairly. I did not say, ever, that those of higher IQ deserve more. You imply that with your education=value to society formula. I clearly stated that laborers are contributing value. Energy=IQ. Energy=energy. Be it physical effort, or mental effort.

I see IQ as a composite of (education + natural smarts), where education represents a persons time and energy spent studying. IQ + effort is qualitatively greater because IQ doesn't simply compliment the value of the energy or effort put in to a unit of work it *amplifies* it. So in terms of output the formula is (IQ * effort).

Physical labor is *without question* of huge social importance, but we still establish pricing and valuation based off scarcity as it relates to demand, with a small nod to cost of initial investment.

So I guess the real question here is, in your mind, what does a fair compensation system look like?

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