

CAPITALISM DOES NOT ALLOCATE RESOURCES OPTIMALLY AUTOMATICALLY

The Adam Smith Theory of Capitalism would suggest that Capitalism produces some sort of Automatic Optimality in allocation of resources for all sorts of needs of Society. In reality this is false. Capitalism does not have any automatic intelligence to allocate resources to all things that society needs. The problem is that it is a lot of work to understand what society needs that does not exist already. I spent years of my life without getting paid top earnings to understand what society (the Human Race) actually needs that does not exist. This is one example that proves the point. What the world needs is higher Life Satisfaction for everyone and expert level assistance. This does not exist, and it is enormous amount of work to produce new professional careers and all the infrastructure necessary to serve this need. There is no automatic allocation here. I might end up getting lucky and some good Portfolio Managers in Finance are able to see that these needs can be met and there might be actual earnings that result.

But the difficulty in Capitalism is that the moment revenues and returns are the top priority, then all fundamentally new efforts become too risky for portfolio managers. They want to keep money on things whose returns are known. Well if the returns are steady and known, that means the sector is already professionalised. What about needs for which a sector does not exist already? Well, you're out of luck in Capitalism. You're not invited to anyone's party any more. You're in loony country, in limbo, in no-man's land. Why? Well they want some respectable profession involved. Well you can pull out your hair and say, "You stupid stupid stupid fools! If there were already respectable professionalism in this arena, then it would already have been served. Why is there no sector that serves these important needs?" They will tell you, "Look buddy, we don't want risks. We have clients, and these other sectors they have customers and all sorts of mansions and magazine articles about their stuff. You're talking about needs that would put our client's money into risk. We're not gonna lose our reputations to do looney bin ideas. What do you even mean these needs?" "Well it's obvious that these are important needs that people will need resolved." "Well, what's the salary for professionals in this area?" "There are no professionals in this area! We have to create the profession!" "Are you crazy? You want us to ask our bosses to give you money to create new professions and when will we see huge sales?"

"I have an idea. Why don't I take a Neanderthal club and beat the bejeezus out of you and take the money I need and create the professions, huh? Gimme the goddam allocation now! Stupid fucks this needs to be done. Gimme the goddam money. Gimme the money you fucks!"