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# Can the Economy help us all get along?

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# Why does a first-world worker make so much more than a third-world worker?

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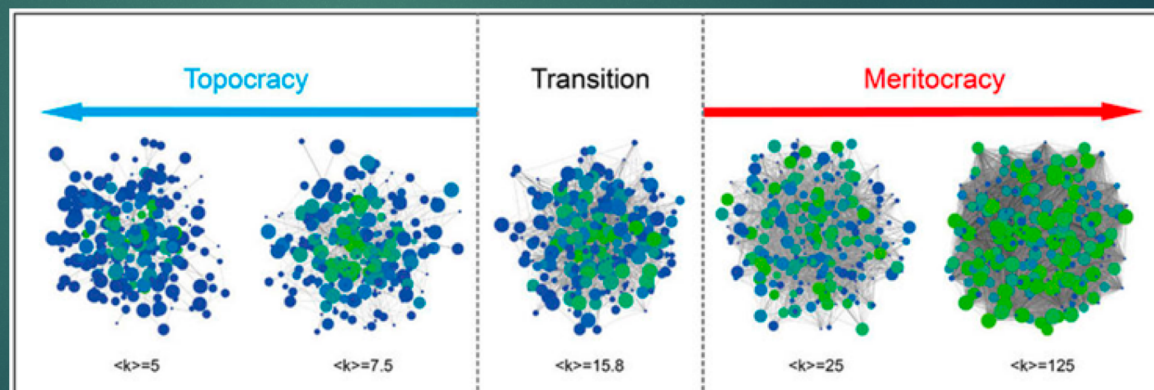




# Why differences in income/wealth?



- ▶ Hard work?
- ▶ Education?
- ▶ Value of product?
  
- ▶ Topocracy !

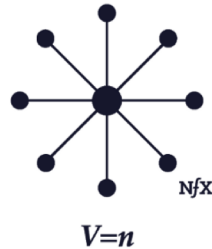




# Cooperation increases productivity as *square* of number of nodes

- ▶ As tech advances, more of the value comes from “the network”

Sarnoff's Law



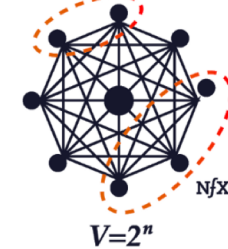
The value of the network ( $V$ ) increases in direct proportion to the size of the network ( $n$ ).

Metcalf's Law



The value of the network increases to the square of the number of users in the network.

Reed's Law



Networks may grow proportionally to the network size but there are forming groups that scale faster in value than others (because of influence or interconnectedness).

Source: NFX Bible





# The world's best biz model

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- ▶ Almost guaranteed to work!
  - ▶ Verified by major companies
- ▶ Not illegal
- ▶ But, .... some would consider it slightly unethical
  
- ▶ The world's first computer crime
- ▶ Can you trust business not to steal from you?
  
- ▶ Aggregation of microtheft





# Well, what should happen to the surplus productivity?

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- ▶ Reward producers (incentive)
  - ▶ Credit assignment
- ▶ Invest in future
- ▶ Distribute to participants
- ▶ Universal Basic Income (/ Wealth)





# The Fundamental Theorem of Capitalism

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- ▶ (= “Fundamental Theorem of Welfare Economics”)
  - ▶ *If everyone acts according to the economic incentives provided by Capitalism, the results will be, overall, the best for society*
- ▶ (not every single time/person, but “overall” relative to Communism, feudalism)
- ▶ Does the Prisoner’s Dilemma contradict the FToC?
  - ▶ Incentives lead to disaster





# Lepper Children's Drawing Experiment

WHY CAN'T WE ALL  
JUST GET ALONG?  
HOW SCIENCE CAN ENABLE A  
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# Intrinsic vs. Extrinsic Motivation

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- ▶ Intrinsic Motivation
  - ▶ You do something for it's own sake – like listening to music
- ▶ Extrinsic Motivation
  - ▶ You do something for a reward, incentive, grades, pay, status, points in a game, ...
  - ▶ Because there's something else you want, not because of the activity itself
- ▶ Intrinsic Motivation and Extrinsic Motivation inhibit each other





# The Bankruptcy of Incentive



- ▶ Capitalism works by providing incentive to increase profit
  - ▶ Oppressive, because it is constantly bribing you to do things you don't want to do
- ▶ “What would people do all day if they didn't have to work?”



- ▶ Only 13% of workers say their work is “personally meaningful
- ▶ 40-60% of retirees satisfied with their life

- ▶ What would it be like to design a society around intrinsic motivation?



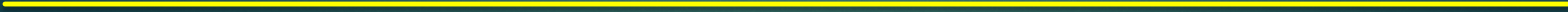
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# Cooperative Enterprise

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