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## Theoretical framework’s goals

The goal of this section is to present a minimalist model of how the world actually works nowadays. We will use this model later on to, first, analyse why the most popular ideas for influencing the world tend to fall short of their goals, and often, even have opposite effects to the intended ones. And later, we’ll use the same model to propose an effective strategy to make a significant impact in the world.

Remember that we live in a constructed reality, we can choose a construction that matches reality, or one that doesn’t. If we choose one that doesn’t we are likely to get rather frustrated because our actions will fail to achieve the desired results. Therefore if we want to be effective at our interventions we need a model that is more representative of what’s going on.

As Feldman notes in “How emotions are made”, the current “economic model at the foundation of the U.S. economy - some might say the global economy- is rooted in a neural fairy tale”. She is referring to the notion of homo economicus, from which derives the idea that markets are helping us govern ourselves, by distributing resources in an optimal way to satisfy our desires. Thus, the central idea behind the most common model of how the world works is completely detached from reality.

Given that the baseline is so poor, given that a fairy tale doesn't have any explanatory power whatsoever on what's going on, it's quite easy to come up with something better.

The model presented here however is not meant to explain all the phenomena in the world. Not even most of the phenomena. Instead it is meant to explain the aggregation of many phenomena, the bigger overall historical trends. If we'd want to look at smaller parts, we'd need more complex models.

In fact, the one presented here is so simple that it might seem caricaturesque. However, it suffices for the two purposes outlined earlier: 1) to be able to discard about 99% of seemingly useful interventions, and 2) to outline how actually useful interventions would look like. Granted, when designing a particular social intervention we might need a more detailed and nuanced model, but that is beyond the scope of this section. Such nuances are not significant enough to alter the overall governing dynamics that we are discussing here.

## **Let's have some perspective: we are incredibly rich and inefficient**

Before getting into the theoretical framework, let's look at three data points, which are, arguably, the most significant to understand contemporary western-style societies.

1. Abundance of wealth. Our foraging ancestors spent three to five > hours a day "working" in "economic activities", and they had the > rest of their time available for leisure. Since then, the > technology and energy available to us has grown by several orders > of magnitude. Looking at this in the most simplistic possible way, > we can see energy as capacity for getting work done, and > technology as a productivity multiplier. When our ancestors > domesticated oxen the energy available to them multiplied, and > they were able to multiply the output from their fields. When they > invented a stone mill powered by oxen, their capacity to mill > flour multiplied. This technological improvement process has been > going on for a few tens of thousands of years. Now I have a > nuclear power plant connected to my home with an electric wire, > and I can order an electric mill, an electric bread maker, and > flour on Amazon Prime. I can make bread at home from freshly > ground flour faster than a maid could have done it a few years > ago. Wealth is the product of work. On average, we have so much > energy, so much technology, and so much produce per capita, that > the time needed for fulfilling our basic needs of food and shelter > should be measured, not in hours or minutes spent per day, but in > seconds. We are so incredibly rich that we should be able to spend > virtually all our day in leisure, or some of it working for > luxuries, since covering the basic needs should require virtually > no effort at all. Yet, most of us need to work long hours just to > pay for housing, food and

health.

2. Uneven wealth distribution. Not only the incredible wealth provided > by modern technology seems to have mostly vanished, but also, the > little that remains visible is very unevenly distributed. Even in > the western-style societies there are significant numbers of > people who are living below the levels of poverty, who cannot > afford to nourish their children and warm up their homes.
3. Undemocratic Governance: as noted earlier, people's preferences have > a "statistically non-significant impact" in the government's > policies.

**Any model that can explain those will win hands-down the current hegemonic ideologies of competitive markets and democracies**, which predict exactly the opposite. Prevalent narratives are totally out of touch with reality since they claim:

1. Scarcity of wealth and resources
2. Market efficiency which should bring wealth to everybody who can > participate in the market, with relatively little differences, > since the market rewards proportionally to people's talents, and > talents are not so wildly different
3. Democratic governance

Note that the realization that technology improves efficiency and therefore people should be expected to work less comes up periodically. In 1930 celebrity economist John Maynard Keynes predicted that in two generations people would be working 15h a week. If he could have anticipated the advent of personal computers and the internet he might have said something like 1h a week instead. And yet, it didn't happen. Nowadays Silicon Valley visionaries are making similar predictions about the expected productivity gains from machine learning (what the media calls "artificial intelligence"). It's a historically blind prediction. There is no reason to think that the productivity gains this time will lead to any different result than they have for the last few tens of thousands of years. Again, any model that can explain how productivity gains vanish generation after generation has a far superior explanatory power than the hegemonic progressive liberal theories that claim that markets promote innovation and distribute its benefits across all the population.

## **Micro-dynamics: the trees don't let us see the forest**

A common way of looking at the world is taking a bottom-up approach. Look at the people around us, look at the organizations that they are part of, and see what are their personal and collective goals, and how well those play out in reality. It's an approach that won't get us very far, but let's attempt it,

nevertheless, to contrast it later with a more fruitful approach which starts looking at the macro dynamics.

When we look around, we realize that most people want to do good and believe that they are doing good. Most people spend most of their energies in a job, and they believe that a job is a vehicle to contribute to society. Nobody goes out saying, or thinking “I’m going to screw up my customers. I’ll rip them off, take all their money and bankrupt them”. Nobody does that because, on one hand it would weigh heavily on their consciousness, and on the other, acquiring customers is very costly. It’s a much more viable proposition to set out to help out your customers, to please them, to give value to them, so that they keep coming back.

### **The evil corporation myth**

This pattern is even clearer in bigger organizations. Generally workers in a corporation genuinely believe that they are helping people, they are either helping people directly in B2C firms or helping people do their job in B2B firms, which enables them to help people. Obviously, if people are repeatedly paying for a product or service, it is because it helps them.

Big firms spend a great deal of effort in creating a culture to delight their customers. A particular tool that is gaining popularity due to this mindset is Design Thinking, which is a framework to help designing products and services. The design thinking process starts empathising with users, identifying both pleasant and unpleasant feelings as they go through the journey of using a product or service. After that the root causes for the unpleasant feelings are identified and new designs are proposed to change their experience, their journey, for another one where they experience more pleasant and less unpleasant feelings.

One example of design thinking would be looking at a typical airport, noticing that travelers usually feel anxious when checking their flight information, realizing that the reason is that they are in a hurry to catch the plane and that the information they need is not instantly available. The information screens rotate through different flights and travelers have to wait for a few screen refreshes until they see the information relevant to them. As a result of this process a new design could be envisioned where passengers have access to all the flight information they need at once.

On one hand we have a global corporate culture that is increasingly focused on making people feel better, with tools such as Design Thinking, but also increasing diversity in their workforce and donating to corporate responsibility programs. On the other hand, it is easy to look at horrific scourges that inflict our society, make a link to the operations of some big corporations, and build yet another evil corporation myth. Some popular targets have been McDonald’s accused of causing the epidemic of obesity, malnutrition and all the diseases that come with it, Monsanto accused of destroying small farming, and Facebook to drive polarization with fake news and teen suicides with online bullying.

There is an interesting interview with a leftist guy who works at Monsanto at Freakonomics radio, episode 234 “do boycotts work?”. He agrees with the environmental and social concerns typically shared by people who boycott Monsanto, but thinks that the activists characterization of Monsanto is wrong. People who work at the firm are normal people, not evil. They care about the farmers and they believe they can help them with technology.

As our society becomes more and more connected, and we all know somebody who works in such evil corporations, or somebody who knows somebody who works there, and we realize that they are nice people and work in a positive culture of delighting their customers, the demonization campaigns against them seem more ridiculous. After all, McDonald’s doesn’t do anything different than any small, family-owned, burger joint does. The only reason why they are such a great candidate for evil poster boy is because of their sheer size.

### **Separation of concerns**

Most people understand that our society works with separation of concerns. A firm like Monsanto is narrowly concerned about providing better technology to farmers so that they get better yields from their crops. Protecting farmers from inevitable occasional bad seasons, or making sure that they can keep a portion of the increase of wealth that comes from the productivity increase, those are somebody else’s concerns. Possibly it would be the concern of insurance companies, or a shared concern with a government, to either provide insurance itself, or a framework to ensure that all the farmers are insured privately.

Therefore, most people also understand that there is no contradiction between the hundreds of farmers suiciding because of bad harvests (some of them by drinking Monsanto’s own pesticides) and a pro-social culture in the Monsanto firm itself. We can see that such mass farmer suicides tend to happen where governments are weak and unoperational, like in India, rather than places such as Europe or the USA where the government invests considerable amounts of resources supporting farmers.

This is, basically, how the dynamics of the society are usually explained to us: that most people are nice, that they contribute to the society through their work, either as freelancers or most often as part of an organization, a firm, a government agency or a nonprofit, and that resources are distributed among them through the marketplace. Each one of the organizations have a particular narrow concern, and together they cover all the society’s concerns. There are a few bad actors as well, and society deals with them using separation of powers and the justice system.

This explanation has two obvious problems. The first is the cognitive dissonance between the idea of having a society based on a market system, which is based on the idea that everybody is selfish, and simultaneously assuming that most people are nice and they direct their niceness to society through work. If most people are so nice, why would we need the market system and private property

in the first place? Wouldn't it be easier to just share and help each other out of our own good will, rather than in exchange for a salary?

The other obvious problem is its lack of explanatory power. This model can't explain why wealth is so unevenly distributed around the world. Why are some regions so wealthy and others so poor? Attempts to explain that with this model usually involve factoring in some corruption. But that doesn't solve the issue of the total lack of explanatory power from this model, it just makes the need for explanation a bit further away. The model still can't explain why corruption is so unevenly distributed. Why does it take so long for developing countries to develop? Why when their governments start being functional and providing security to their people they tend to suffer from a coup-d'etat, often backed by the USA? Why in developed countries hasn't there been any significant increase of purchasing power by the middle class in the last half century? Why has the mind-boggling increase of productivity due to the proliferation of computers and networks has gone all to the richest of the richest, even reduced the amount of people in the middle class and increased poverty in the west? Sadly, this prevalent model doesn't offer a clue to any of those crucial questions.

## **Feasibility and compromising**

Sometimes people try to add the factors of feasibility and compromise to the model to make it more realistic. It goes like this: in real life, in order to get things done, there is a need for compromise. When organizations propose a solution for one of society's needs, on top of it being useful, it has to be viable. And for it to be viable people need to make money out of it and it needs to be politically acceptable. Many people with genuine interest in making the world better despise solutions that are theoretically perfect but systemically unfeasible. What good is a great drug that cures everybody from a certain disease without any side effects if nobody can make money out of it? It would be impossible to get it into the hands of people who need it. Is much better to focus on an imperfect drug, that mostly cures some people with some side effects, or at least stops the disease from advancing, making it chronic rather than lethal, if it's politically feasible to deploy it. And then, in the next iteration, we'll think on how to improve it further.

Even though adding these considerations into the model might help explain some particular events, it doesn't add any explanatory power for the overall trends. It only explains why progress might happen slower than one might expect, but not why things are going in the opposite direction as expected. One might go one extra step and define "feasible compromise" as "it helps the richest to extract even more wealth from the poor", but at this point the model becomes self-contradictory, and too cynical to be attractive.

The truth is that the model is plain wrong. Looking at the world with some predetermined divisions, or separations of concerns, without tools to look at the bigger picture and change those divisions, won't help us understand the

dynamics that span through several of those compartmentalizations.

Let's go back to the Design Thinking example of an airport. That example is wrong. The ultimate cause of anxiety is not small details like unclear information about departures. The ultimate cause is that a flight is a significant investment and if one misses it, they will likely have to pay more than double the original price, since buying a flight that is about to depart is more expensive than buying in advance, and waiting for a later one might mean paying for accommodation or losing pay at work.

For the airport to actually work, it would require a market design, not just an architectural design. It should operate like metropolitan public transport does, where users can arrive at a bus or train station at any time and jump into the next trip, without booking in advance. And pay a flat fee. Airports could be designed the same way, with the airports making tenders for different companies to operate the different routes, and airports charging the customers directly, instead of paying the flight providers. They could even manage connecting flights to guarantee not to have to queue at every transfer.

This kind of market designs, while technically feasible, are politically very unlikely to happen. A relatively recent and famous example is the so-called Obama Care. Obama himself admitted that the system could be much simpler without the intervention of private insurance companies, but that would mean losing tens of thousands of jobs on those companies. In a functioning world we should celebrate the loss of tens of thousands of jobs. It would mean that a lot of time has been freed, and that those people who have lost their job can put their time into other jobs, and therefore reduce the average working time in the society.

However, in our current, "realistic and compromise-based" society, it means that big firms would stop making tons of money and that makes it politically infeasible. So much so that candidates that propose better solutions, like Sanders who proposed a single-payer system, with universal coverage, without adding the overhead of the private insurance companies, found it virtually impossible to get elected. For example, in the 2016 primaries against Clinton all TV networks "coincidentally" misquoted their own polls and said that Sanders would be less likely to win in the general elections against Trump. The polls consistently presented Sanders as a stronger contestant against Trump, but all the networks said instead that Clinton was the Democratic "useful vote".

It seems that we would need to change the political system in order to introduce effective market design improvements, so that the market actually works for the benefit of the consumers. But if we'd manage to have enough power to change the political system, why bother with market designs? Why not dispense of the for-profit market entirely and organize resources via altruism instead?

In conclusion, this model is useless. It doesn't offer us clarity on the most significant trends in contemporary society and it doesn't offer either insight on how to make useful interventions. No matter how many layers of nuance we add to it we won't overcome its main obstacles, it just makes it more plain

the difficulty of getting people to do useful stuff. How can we create jobs to regenerate ecosystems, or help the homeless? Seems very unlikely to make them in a way that are “feasible” with this model

## **Macro-dynamics: The imperial military-slave-industrial complex**

### **Brute force: conquest and slavery**

The simplest model that best explains the macro dynamics in our society, how decisions are made and resources distributed in nation states, and across the globe, is the military-slave-industrial complex. It also has the advantage of fitting better with History, as we’ll see in book 4. It matches historical developments better than the more prevalent progressist model in which history is presented as a result of a series of successful social struggles.

It works like this: the military grabs all resources available and uses them to expand their power. This derives in a “winner take all” dynamic which promotes the emergence of empires. Nowadays the USA is the clearest imperial power, with China and Russia offering serious resistance and aspiring to take over. The military uses the most efficient mechanisms at their disposal to grab more resources and leverage them to increase their power. Often brute force is the most efficient mechanism. Military invasions, imperial-backed military coups and fake uprisings are popular brute-force mechanisms to seize resources. This model easily explains the main geopolitical events that we’ve seen in recent decades, such as fabricating “mass weapons” accusations to invade Iraq, the staged uprisings in Libya, and the hypocritical accusations on Iran to justify sanctions, all of them aimed at seizing control of oil fields.

Brute force is also the favorite tool to exploit such resources. I.e. to use slave labor for the extraction and processing of resources. We’ve been using smart cell phones and tablets for a while, and since the very beginning there has been awareness that some of the minerals used to build them, specially the batteries, are being mined by child slaves in places like Congo. You’d expect that the liberal beacons of freedom, such as the EU and the USA, would be concerned about that, and take action. For example, buy a few cobalt mines and staff them with people earning living wages, and mandate that batteries used in gadgets and cars sold in their markets must source their minerals from such slavery-free mines.

Alas, it hasn’t happened, and it’s unlikely to happen, because the liberal discourse of freedom is mostly empty propaganda. Policies are actually dictated by military needs.

It might seem that savery is something of the past. The dominant discourse is that it has been abolished. While it’s true that chattel slavery, the legal ownership of slave workers, has been abolished, the practice of slavery in other forms, like

debt peonage, where people work for free to pay debts, often for generations, is well alive. Kevin Bate's 1999 book "Disposable people: New Slavery in the Global Economy" documents it very convincingly, and the websites mentioned earlier, which maintain up-to-date stats on the millions of slaves spread across the world, are a clear indication that the phenomena is not going away any time soon.

## **Illusion of freedom**

You might be wondering why would the military be concerned in promoting child slavery for extracting minerals for use in civilian gadgets. Shouldn't the military be hoarding all the resources for military use such as bombs, armored vehicles, planes, ships and so on?

To explain this apparent paradox we need to understand a remarkable military technology: the illusion of freedom.

When there is a military conflict, the powers that use armies of people who believe that they are free and are fighting for their freedom tend to fare much better than those who rely on mercenary forces. This has been tested empirically over the last couple of millenia and matches the most recent scientific views on human psychology and neurobiology discussed earlier. It also matches the common sense business advice to not outsource your core business. It all makes sense if you look at the modern State as an organization whose core business is, yes, war.

Invading territories and subjecting their populations to slavery is not very scalable. The more territory and subjects conquered, the more labor is needed to keep them under the yoke. In order to solve this problem, the military invented freedom, or at least, the illusion of freedom. Some conquered subjects are promoted to "free" citizens and employed as civil servants for the military, or the State, which is the same. Some of them run the bureaucracy of the State, accountants, judges and so on. Many of them are armed civil servants, soldiers and police.

The difference between mercenaries and paid armed civil servants is crucial. Armed civil servants are driven by the intrinsic motivation to protect their collective freedoms and culture, they are driven by the ultimate altruism, putting their lives at risk to protect the lives of others. This works, paradoxically, even when soldiers come from poor families who have very little options other than enrolling their young to the military. Mercenaries in contrast are driven just by the extrinsic motivation of making money, they are driven by a selfish desire. Extrinsic motivations are less powerful, they don't have any loyalty and can easily switch sides if another power pays more, and, if the prospect of winning is not good enough, they might walk away from the job.

Therefore, one reason why the military is involved in promoting child labor for making gadgets for the civilians is that they need those civilians to believe that

they are indeed free, and that they are getting a fair salary which allows them to have a good quality of life. When the civil servants consume products made by slave labor, they need much lower salaries, and therefore the military can keep a bigger portion of the war spoils for themselves, for the leaders and for investing in making the military stronger.

Those of us who have grown up in the west have been brainwashed into believing that the only place citizens have freedom is in the west. But any military power that wishes to remain competitive needs to cultivate a similar state of mind in their citizens. Therefore, if China wishes to challenge the USA imperial supremacy, it has to provide a similar illusion to their citizens. And indeed, their middle class citizens generally see themselves as having the autonomy they need to live happy and fulfilling lives. In contrast with the west, China actually can show that it has dramatically improved the purchasing power of a significant part of its population during the last decades. Also, it spares it's citizens with the hypocrisy of pretending, on one hand, to promote freedom of expression and on the other hand prosecuting the likes of Assange, Snowden and Mannings. While in the west being able to challenge the government seems a big deal, in reality, for most of the population, it doesn't matter. Most people, both in the west and in China, are fine accepting that there are a bunch of super-powerful families who run the show, as long as it seems that they have opportunities for themselves as well.

This doesn't mean that the government in China is any better than the western powers. The reason why it has been improving the quality of life of its population is not because it is a superior regime, it is just because lifting the economy has strategic military value. China's military might has been increasing along its economy. Also, despite their hypocrisy, western-style pseudo-democracies are actually more desirable for the tiny minority of the population, which likely includes you, dear reader, who care about making a better world. It presents certain vulnerabilities that we can exploit, and we'll look into them in the third book of this series, when we discuss a strategy for implementing change.

## **Military markets**

The second reason why the military is concerned about promoting child slave labor is that the market itself is a military invention, or at least it has become popular for being a military tool, and protecting the market is a military existential need.

Think about it: why would the military bother letting companies such as Apple or Samsung make a profit selling phones and tablets, rather than making them themselves, and giving them to the civil servants?

Early military operations used to work like that. A bunch of thugs would enslave a few towns and force their subjects to work in mines and factories producing weapons, food and so on, for the thugs and their acolytes.

It turns out that such a direct management style tends to not escale very well. There have been some modern attempts to do so, for example the Marxist five-year-plans under proletariat dictatorship. However, the most common pattern in the last couple of millennia has been to externalize a great deal of military logistics and production to the market.

It works like this: the occupying power demands a tribute from their subjects. That tribute must be paid in legal tender, which means, in the currency issued by the military. The civil servants are paid in such legal tender. Also, the military issues tenders for acquiring weapons, building bridges, transporting troops and so on. . . . Therefore, all the subjects are forced to find a way to contribute to the war effort in order to obtain the legal tender needed for paying their tributes. Either directly supply the military power with something they need, or indirectly, provide goods and services to the troops or civil servants.

In the old times this arrangement was quite obvious since the goods and services provided were very simple: food, clothing, weapons, sexual services, etc. nowadays this arrangement is much more obscure. Our society is much more complex and it's not so obvious that we are all contributing to the military efforts just by participating in the economy. We probably don't provide to the government or the civil servants directly, we instead provide to somebody who provides to somebody, etc. who eventually provides to the war effort. Also the discourse about citizenship (rather than subjects) and taxes (rather than tributes) makes the illusion more real.

Still, the easiest way to understand our society, the government, the economy, etc. is to look at it from this perspective. The government is just a proxy for the military. The economy is just a tool for the military to procure goods and services more efficiently than if they would micro-manage their production and delivery. All the theater around elections, which, as we saw, result in a "statistically non-significant impact" in the government's policies, is just a small cost to pay for maintaining the illusion of freedom required for the civil servants, armed or otherwise, to keep working efficiently and loyal. The same goes for the maintenance of the consumer economy and all their chepo bagatelles. Is just a necessary cost for the military to maintain the illusion that the economy works for the people, to obscure the rather obvious fact, if one looks at the figures, that the economy works against the people, extracting their wealth and giving it to the super rich. And the whole system is becoming more efficient at that. In the last half century, the purchasing power from the typical wages of the middle class have remained constant, despite unprecedented increases in productivity from technological wonders and management improvements. Also, the percentage of the middle class population is decreasing. The net effect is an ever-increasing portion of the spoils going upstream, to the modern-day thugs that run the whole military operation behind the sham of a free democratic society and free market economy.

The market, therefore, provides three different functions for the military government. First, is a mechanism to outsource production and logistics in a more

efficient way than if done in-house. Second, it forces all the population to contribute to the military effort in a cheaper way than enslaving them. And third, it surreptitiously syphons out wealth from the subjects to the establishment.

Military governments find different ways to play with the markets to balance these different functions. The Roman Empire was known to appease it's population with "bread and circus". Even earlier, China discovered a few millennia ago already, that they could allure more poor peasants to join the military offering what looked like high salaries, and then, recover most of the salaries by installing civil servants around the military camps, who would pretend to be street food vendors, or sex workers. The civil servants would charge higher than usual prices and return the money to the State. And at the same time would work as informants, and turn in any soldier whose loyalty was weakening.

More recently, the USA has found a balance with a form of predatory lending called "pay-day loans". Those are short-term credit shops that charge extraordinarily high interest rates. Soldiers are perfect targets for those businesses since they make very low salaries and often come from financially illiterate families. It is not surprising though that such businesses proliferated around military bases in the USA. Until eventually, the Federal government capped the interests that they could charge to the military, which led to many of those pay-day shops closing. Think about this: the USA government regulating predatory lending to protect, not the USA citizens in general, but only the military! It's quite a neat giveaway, isn't it? It clearly illustrates the government role in pushing and keeping families into poverty, which is handy for the military as they can get more and cheaper recruits, and at the same time, protect those who have enrolled the military from falling too low.

### **Trickle-down war spoils**

Wealth distribution therefore works as you would expect in a warlord-based economy. The warlords get all the spoils from war, and they give some of it to their acolytes, who in turn give some of it to their supporters, and so on. Therefore wealth is first stolen from the people, and then some of it trickles down from the centers of power back to the rest of the population.

People from the peripheral economies often get surprised how cheap things are when visiting the USA, or even Germany. "The miracle of the free market!" we are told when we ask for explanations. However when deregulation is applied to the periphery things don't become cheaper and quality of life better, often the contrary happens, people tend to become poorer.

A more plausible explanation is that, the closer to the centers of power, the more war spoils are being distributed. Often in the forms of subsidies to firms, whose owners are close to the warlords, who can then afford to sell their products and services cheaper.

This trickle down distribution of wealth serves as propaganda to keep the people

whose work supports the State loyal. It creates an illusion of wealth, and fairness. An illusion of nice rewards for people's creative work and their loyalty.

As people get further and further from the centers of power though, life becomes harder. Many, even in the west, are living de-facto slave lives, having to work two or three jobs, to be able to pay for basic needs, for housing, food, utilities and health. Always just one step away from falling through the cracks.

## **Dictator-less dictatorship**

We can conclude then that the western world works pretty much like if it was a massive dictatorship backed by the wealthiest families. Except that there is no such dictator and the wealthiest families are not directly pulling the strings from behind the curtains.

Since the system behaves like this it is very easy to imagine that there is a conspiracy of some sort among the wealthiest to run the show. That is rather unlikely, if that would be the case there probably would have been some leaks.

It is much more feasible the proposition that there is, instad, a "virtual dictator" in each one of our own heads. That "virtual dictator" is built with the pillars of the social construction that we live in and we believe in. That the world fragmented in nation-states, each one of them sovereign, with those who have a democratic government representing the will of the people, and that they are therefore legitimate to organize society on the basis of private property, and trade and labor markets.

These ideas are totally out of touch with reality. They are, quite literally, insane. And yet, we expect sane people to behave as if they were real. That causes the system to behave, in aggregate, like if it was an imperial military dictatorship, with military needs trumping over all other concerns, countries that develop independent governments being invaded, their resources being pillaged and hoarded by transnational corporations, their citizens being thrown into extreme poverty and variations of slavery, and so on, . . . and yet, formally, we keep, at least for now, the appearance of a democratically free society.

The whole system works without the super-rich being involved in directly pulling the strings. Actually most of them don't even see themselves in a class war with the proletariat. On the contrary, they see themselves more like savior angels who are using their wealth to contribute to the society, by providing jobs, which produce goods and services. In the logic of the market this seems a good thing, it seems that if people are buying those goods and services out of their own free will, it means that they are benefiting society, and it also seems that giving salaries to the workers is a transfer of wealth from the rich to the poor. After all, the super-rich don't need to play this business game. They have enough money to spend all their life living comfortably in leisure. They do it out of a pro-social impulse to help out the less fortunate.

However, as we've seen, the market logic misses the point that, in aggregate,

behind the appearance of providing goods, services and salaries, is actually distributing wealth upwards, from the poor to the rich.

Also, it is true that western democracies have a built-in legalized corruption mechanism called lobbying. Lobbying allows people, and most likely corporations, to pay to legally influence politicians, often anonymously. There is also the phenomena of the revolving door, which consists in rewarding politicians that behave well, that pass the legislation requested by a firm, with a lucrative “consultant” contract for the firm, which is virtually a way to get money without doing any further work.

However, despite these mechanisms of legalized corruption, we rarely see people getting money outright from the government into their personal bank accounts. The pattern generally consists in favoring the companies that they have investment in. It might seem a cosmetic difference, but it does allow everybody involved to believe, genuinely, that they are doing a favor to society, to the less fortunate, rather than stealing from them.

## **Communism of the rich**

Even though the rich are often not directly pulling the strings of government directly, they do still constitute a different social class, in the sense that they live in a distinct culture, with characteristically distinct memes.

Devid Graeber noticed that the rich tend to help each other out using genuine altruism mechanisms. They loan each other money without charging interest. They put each other’s children in leadership positions in each other’s firms. They don’t expect to gain anything from that particular transaction, they just contribute to a culture of camaraderie among their lot, to a culture that, they know, will have somebody else from the club of the rich, not necessarily the person that they helped directly, returning the favor.

Helping each other out without expecting, or even wanting, anything in exchange, and with the conviction that the collective will be there for you in times of need is the essence of communism. That is, the anthropological definition of communism, nothing to do with the political concept of Marxist socialism as a historical vehicle towards communism. Therefore Graeber calls this phenomena communism of the rich.

And indeed, our society is profoundly hypocritical and racist in it’s values. It believes that the poor are too wretched to help each other out. That they are too lazy to contribute to society. Therefore they have to be forced to do that, with a combination of carrots and sticks. Private firms provide the carrots, paid employment, and the government police provide the sticks, prison for those who don’t work.

The rich, however, are of different nature. They are pro-social and inclined to help those in need. Therefore they don’t need to be coerced to do so through competitive market devices such paid employment and interest rates. Instead,

they should be left to their own devices, to help each other out, and given government support in form of subsidies and tax breaks so that they can help more poor people out.

## **Main characteristics of the military-slave-industrial complex**

### **Violence-baked coercion with the appearance of autonomy**

One clear indicator that our society has gone really, really wrong, is that it is based on coercion. Virtually everybody, except a handful of rich people, are not allowed to choose how to contribute to society and how much to contribute. We are not allowed to take a look at the world, identify where help is more needed, and choose to join where we could make the most impact. If we thought that we could make the most impact educating kids in poor communities, giving company to the elder, or regenerating the environment, just to name a few examples, we'd most likely not be allowed to do that because there is no money in it. Instead we are forced to choose a job that makes money, so that we can survive, so that we can pay for food, housing, utilities and health. Yes, there are a few exceptions to that, but they are statistically insignificant. By and large, the "choices" that we have at our disposal are just variations of taking from the poor to make the rich people richer.

Coercion is of course baked by the use of violence. Even though violence is mostly invisibilized, still, if somebody goes to a shop and tries to leave without paying, the violence that sustains our society will manifest itself pretty quickly. The same happens when one stops paying for their housing. We don't live in a society founded on compassion, we live in a society founded, and sustained by, the threat of violence.

The popular justification for having to work so much, is that we are working proportionally to the effort it takes to cover our needs, is mathematically ridiculous, as we have seen. We have so much abundance from tens of thousands of years of technological advances, that our needs can be covered without barely moving a finger.

The popular justification for the need of coercion is that people are lazy and selfish and left to their own devices they wouldn't lift a finger to help others. As we've seen this is inconsistent with how humans are wired, as we need to practice generosity to feel happy and accomplished. Is true that our society has brainwashed us with the opposite ideas and that it might take some effort for people to transition to a more resourceful culture. Even so, even if there would be a few that wouldn't want to change beliefs, how does it justify imposing coercion on everybody? Why would the people who want to live practicing generosity and gratitude be part of the same community of those who promote selfishness and greed? If we were truly autonomous, wouldn't we choose to live

with people who share enough values with us to be able to make a functioning society, without the use of coercion?

It's important to notice though the difference between violent coercion and slavery. Many people complain that they live like slaves. People who don't seem to have much of a choice in which jobs they accept, because they are always at the brink of financial collapse and they feel compelled to accept whatever job that is offered to them. People who have very little chances in taking a sick leave, to take care of themselves or a loved one, because that puts them at risk from being fired. In reality though, there are only a few tens of millions of real slaves left. People whose owners decide what, when and how much their work. People whose children belong to their owners and are put to work as very young childs.

The more common quasi-slavery situation is much more convenient for a military regime, and much more stable, than a pure slavery setup. It is cheaper to maintain because it uses much less violence, it doesn't need guarding each individual slave to prevent them from escaping, it just needs a bit of policing to avoid private property theft since people are mostly self-policing. Also, because of the illusion of autonomy, people are much more productive.

Most of the workforce nowadays are not really slaves, they still have some choice. Even if this choice seems rather tiny and more theoretical than practical, for a liberation strategy it can make a big difference. A bit of coordination compounded with time could go a long way. For example, a few workers could get together and invest a bit of money in helping the most talented among them to get business skills, so that they can start their own businesses, and employ the investor friends. Thus breaking the cycle of dispossession and disempowerment.

## **Gentrification**

Gentrification is a phenomenon that has been endlessly repeated in cities all over the world. It's often a variation of the following story. Hippies and artists move into a dilapidated neighborhood. They collaborate to rebuild the neighborhood. Cool and cheap cafes, restaurants, art galleries, theatres, and so on pop up everywhere. Which makes the neighborhood more desirable, even trendy. As more people want to move in, prices increase, the original dwellers are pushed out by the increasing prices, and the neighborhood becomes a commercial caricature of what it used to be, a soulless and expensive place.

This story usually goes hand in hand with big firms installing offices in the area to attract the talent that is moving in. Big firms offer increasingly big salaries which in turn makes housing even more expensive, which further accelerates gentrification.

The result is basically that the more money people make the more they tend to spend on housing. Is an improvement on the strategy that China discovered a few millenia ago, the strategy of offering soldiers seemingly attractive salaries, and then taking it back by charging them more money than market-prices for

food and sex. Gentrification is much neater though because it works without the need of central bureaucrats that one could point fingers to. The “invisible hand” of the market does all the dirty job. And in the end, the money flows back to the owners of the word. To those who own the housing that people rent or the banks to whom people pay the mortgage to.

Gentrification has another advantage over using civil servants posing as hawkers or sex workers. A civil servant expects a decent pay and accommodation, which is a cost for managing the whole operation. Contemporary urban service workers don't have such expectations. They are used to working for very little salaries and endure long commutes to get to work.

It will be interesting to see how gentrification evolves with the popularization of telecommuting which has seen overspread acceptance since the covid pandemic. One interesting datapoint in this new trend is how Facebook USA reacted earlier on. They announced to their employees that they could move to wherever they wanted in the USA, and work fully remotely afterwards. This new liberty however came at a price: their salary would be adjusted to the cost of living at their chosen location.

## **Labor market**

The Facebook pandemic example dismantles one of the prevailing labor market myths: equal pay for equal work. Obviously people don't become less productive when they move from an expensive neighborhood to a cheaper suburban area.

The labor market is usually explained as a device that makes employers compete for talent. This competition, like any other market, is supposed to set a price for the goods sold, in this case a price per hour of work for people with certain talents. As we've seen though, this is another fairy tale disconnected from reality. Compensation is derived from a negotiation between firms and each individual employee, which means each employee gets a different salary even with the same talents. And also, that the firms can exploit workers preferences to negotiate a lower salary, such as offering more flexibility in location and working hours in exchange for accepting a lower compensation.

Even though there are so many players in the labor market, it still can be better seen as a cartel than as a free market. This is consistent with the previous observations and also the observation that it's very hard to find jobs that offer less than the maximum number of hours of weekly work, or more annual days of leave, than the ones dictated by the law. Especially positions with responsibilities, which tend to have higher pay. This is one of the biggest contributors to the gender pay gap, as females tend to prefer, more than males, having more time and flexibility to care for loved ones.

For well paid jobs there is a lot of demand for reduced working hours. More and more people would prefer to prioritize spending time with loved ones, having fun, doing their hobbies, over accumulating wealth. An extreme example would

be the increasing number of people who'd like to live in an eco-village, where food and housing is made collectively at a very cheap cost, and work only one or two months a year in the labor market, for a proportional salary that they get when working 11 months a year.

But such jobs, or anything in between, are not being offered to meet the demand. When trade is not conducted in a free market, but instead in conditions of oligopolies or cartels, then the terms are not set at the point where offer meets demand, they are instead set by the cartelist, or, if they exist, by the laws that limit their abuses. This is what's happening in the so-called labor "market".

### **Lack of governance, locally and globally**

Governance, in essence, means to decide how to use certain resources to achieve certain goals. In its most simplified form, it involves the following three areas:

1. Decide a level of quality and calculate how much time and resources > are needed for the maintenance needs of the population I.e. for > producing food, medicines and health services to maintain people > alive and healthy. Also to maintain buildings, roads, vehicles, > factories, and so on to be able to keep people and means of > production protected under a roof.
2. Decide how much time and resources are going to be invested in > improving the conditions of society. Making better technology so > that we can spend less on maintenance, better medicine so that > people can live longer and healthier, bigger and better housing so > that people have more space and more quality dwellings, etc.
3. Decide how the work and the resulting production is going to be > distributed.

If you think about how this would be done in a small community, such as an eco-village, it seems pretty straightforward. A baseline could be decided collectively on a certain standard of living and the time needed to achieve it divided equally among all members. The system could be made more sophisticated, allowing individuals to choose comforts above the collectively decided baseline, in exchange of working proportionally more hours. If there were some work assignments more desired than others, it could be compensated by allowing people to trade working more hours in more desirable assignments for less hours in less desirable assignments.

Obviously, natural resources would not be exploited beyond the point of regeneration, because people wouldn't be so reckless as to compromise their own futures.

Governance can be made more nuanced but, still, that is the essence. Clearly, today's western societies don't look anything like that. There is no concept of governance at all in our societies. Our so-called governments don't govern anything at all. They don't act on any of the three basic points listed below.

They limit themselves to deploying violence, through the police, prisons and justice system to protect private property, and through the military to grab other people's resources. They manage a few breadcrumbs to keep the population from rioting. They provide an endless show of intrigues in the media empty of substance. The pattern hasn't changed much since the early days of the war-mongering "bread and circus" Roman Empire.

There are no valid excuses for why we could not have functioning local, regional, even global governance. The most popular excuse is size. Which is ridiculous: many transnational companies are much bigger than most cities, even bigger than some nation-states, and they are perfectly able to plan and execute annual and quarterly budgets. The second most-popular excuse, that markets are more efficient but somewhat obscure the decisions and the outcomes, is equally preposterous. If the governments wanted to use markets to achieve certain goals, they could make those goals explicit and design markets to fulfill them, instead of designing cartels to work for their own interests.

## **Nationalism**

For a few centuries nationalism was a collection of memes symbiotic with the military-slave-industrial complex and therefore it grew in popularity. Presently though, is no longer symbiotic with it, it's rather becoming an impediment to the complex, and therefore is dwindling in popularity, even though it still holds considerable influence.

Nationalism was useful to the development of the military complex when it was smaller. Before nationalism peasants would sometimes be ambivalent about the feuds of their feudal lords, and sometimes would quit in the middle of a siege and go tend to their crops. The advent of nationalism helped rally the population to fight for their leaders with fervor, and align their interests with the aristocracy of their nations, rather than with the global proletariat.

Nowadays however, given the global imperial stage of power, nationalism is less relevant. It can even become an impediment to build economic networks between the imperial powers and their client states. The Trump leadership of the USA resulted in the withdrawal from some free trade agreements and Brexit has been sold as an impediment to cheap migrant labor.

However Trump's ascent to power was brief, and Brexit is more theatre than substance. In the UK, similar free trade and labor movement agreements to those from the EU-era are likely to follow, through a succession of governments that are likely to be firm believers in global markets.

Both in the USA and in Europe the youth are becoming more cosmopolitan, more likely to see themselves as world citizens than belonging to a specific nation. The memes of nationalism are more and more confined to the older generations and are likely to die with them.

On the other hand though, regional concentrations of power are still creating

peripheral nationalistic revivals. For example, the concentration of power in London is causing a revival of secessionist desire in Scotland, and the concentration of power in Madrid is causing a revival of secessionist desire in Catalonia.