



Can the Economy help us all get along?

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Children's Drawing Experiment

WHY CAN'T WE ALL
JUST GET ALONG?
HOW SCIENCE CAN ENABLE A
MORE COOPERATIVE FUTURE.
CHRISTOPHER FITZ
HENRY LIEBERMAN

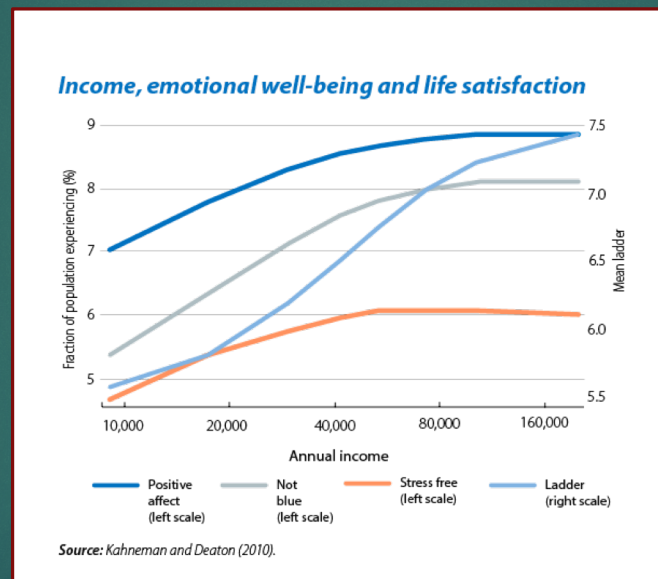


Intrinsic vs. Extrinsic Motivation

- ▶ 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



Can money buy happiness?



Poverty is too expensive!

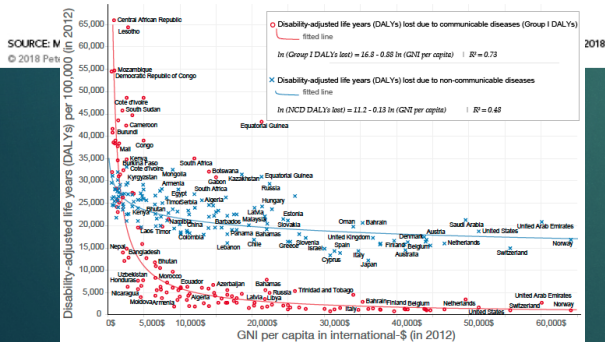
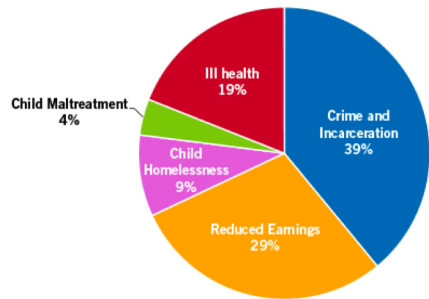
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The economic cost of child poverty was 5.4% of GDP in 2015

COST OF CHILDHOOD POVERTY
\$1,030 BILLION



THE ECONOMIC COST OF CONFLICT

1 VIOLENT CONFLICT ADVERSELY AFFECTS A COUNTRY'S ECONOMIC PROGRESS

2% to 8.4% loss in annual GDP growth
 Countries that border conflict zones also suffer:
 - 1.4 percentage point decline in annual GDP
 - 1.7 percentage point rise in inflation

Resources spent fighting wars take away from scarce resources for social services

IN SYRIA

- At least 400,000 killed.
- 5 million have fled the country.
- In cumulative terms, GDP loss amounted to an estimated \$226 billion between 2011 and 2016, which is about four times the country's 2010 GDP.

SYRIAN REFUGEES
 5,000,000 IN JORDAN
 1,000,000 IN LEBANON

EXAMPLE:
 Afghanistan's per capita income has barely changed since 1970

2 IT IS COSTLY TO MANAGE A CRISIS

Aid spent on refugees hosted in donor countries has reached **\$12 BILLION**

Development aid spent in donor countries on refugees has **doubled** between 2014 and 2015 and **increased six fold** since 2010.

In 2017 an estimated **141 MILLION** people in 37 countries needed humanitarian assistance

By 2016: the cost of maintaining peacekeeping missions in the field = **ALMOST \$8 BILLION/YEAR**

3 CONFLICT PREVENTION CAN BE COST EFFECTIVE

Besides saving millions of lives, it is **economically beneficial to countries**

In the most pessimistic scenario: savings of **\$5 BILLION PER YEAR**

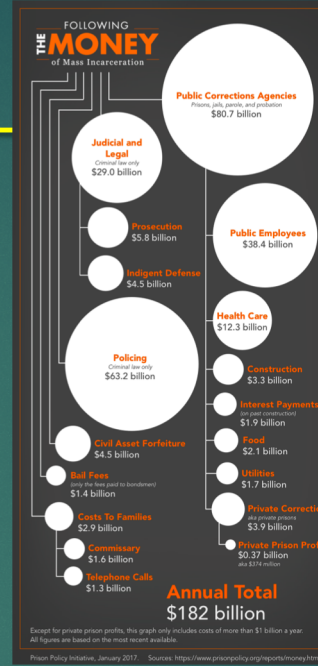
In the most optimistic scenario: savings of up to **\$70 BILLION PER YEAR**

Benefits Of Preventing Conflict Increase Over Time, While Costs Fall

IT IS POSSIBLE TO PREVENT CONFLICT

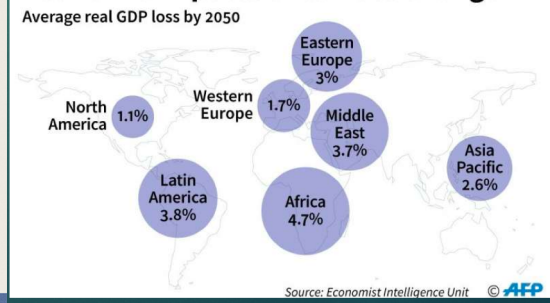
- By targeting support to measures that address the underlying risks of violent conflict
- By being inclusive in building partnerships for peace and responding to issues raised by social groups
- By providing continuous support to address risks early on, during conflict and after it ends

#Pathways4Peace | www.pathwaysforpeace.org



\$1.5 trillion spent on war
 \$500 billion on interest
 \$87 billion to train Afghan military and police
 \$24 billion on economic development
 \$10 billion on counternarcotics

Economic impacts of climate change



The Social and Economic Impact of Illiteracy
 ANALYTICAL MODEL AND PILOT STUDY

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?

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

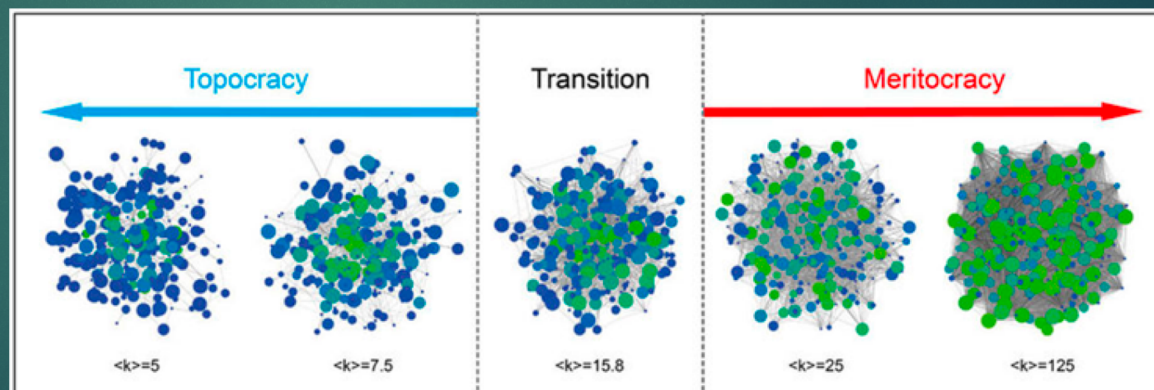


Why differences in income/wealth?



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

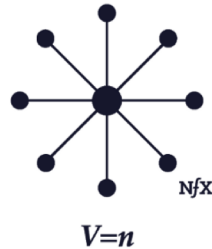
- ▶ Topocracy !



Cooperation increases productivity as *square* of number of nodes

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

Sarnoff's Law



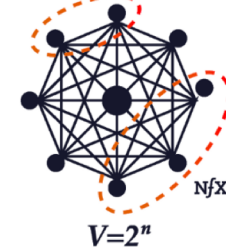
The value of the network (V) increases in direct proportion to the size of the network (n).

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

- ▶ 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?

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



The Fundamental Theorem of Capitalism

- ▶ (= “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

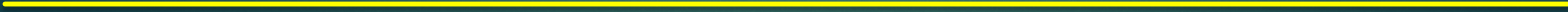


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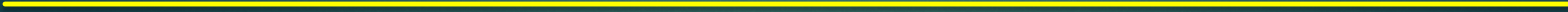


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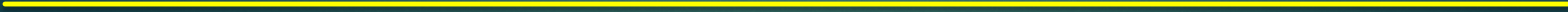


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Cooperative Enterprise

