

The Broken World. There Is More To Life Than Money.

So far I've focused my attention on the economic and commercial aspects of the Broken World. But there's more to life than money.

Unless you are living at the subsistence level, which is a very real problem for many people in many countries, not limited to developing nations or failed states.

Slow growth and economic stress have other implications. When the global economy was growing, albeit through the application of ever increasing debt, people were more cooperative and happy to share. Selfishness is not just bad in a moral sense, it often leads to the violation of certain rationality axioms and folk theorems which economists rely on to explain economic behavior. Violate these axioms and the implications for economic efficiency can be unpleasant or unpredictable.

An example is dividing the dollar, a hypothetical game that tests the player's adherence to the axiom of irrelevant alternatives. A certain meanness quickly violates this axiom and leads to sub optimal outcomes.

One can expect, in these times of economic famine, that:

1. People are less likely to share.
2. They are more likely to pursue relative advantage than absolute well being, and can therefore be purposefully obstructive.
3. They will be less cooperative, which is a generalization of the above.
4. Beggar thy neighbour policies and trade wars are more likely to arise.
5. At a time when governments and leaders are most needed to fix the system, policy mistakes are high.
6. Conflict may extend beyond economic and commercial, to strategic and martial.

These are not only difficult times, they could be dangerous times.