

Distribution vs. Productivity

Major Fallacies in Human Knowledge

When asked, a technologist will reply that the purpose of technology is to improve productivity. Yet, today society has too much productivity that financial crises are fueled by over-productivity. The problem of society today is distribution. Furthermore, the claim of human productivity is a fallacy from a universe-centered viewpoint, because nature in its completely automated process contributes more than 99% of productivity in most of the necessities of life, such as food, shelter, and energy.

Today, without a rational method of distribution, distribution is carried out through irrational processes, such as wars in competition for land and natural resources, over-productions resulting in economic disequilibria leading to financial crises, central planning causing over and under-supply, and supply and demand, which neglects the intrinsic value calculations of the goods or services resulting in economic instabilities from the dependence of the future, which is unstable, as supply and demand is stable, together forming a semi-stable saddle point.

The real understanding of the mechanism of the Free Market seems to have died with the death of all the Great Depression Economists, the last of whom was Kenneth Arrow. The Free Market has two implications: First, the market should be free from regulations, and second, distribution should be based on the invisible hand or supply and demand. However, the Free Market is unstable as verified by financial crises and by the theoretical formulation of the solution of value. The price is the basic guidance in distribution, but the solution of price is not yet known, outside of post-science fuzzy logic team, which solved the problem of value posed by Gerard Debreu in his book Theory of Value, AXIOMATIC ANALYSIS OF GENERAL ECONOMIC EQUILIBRIUM.

Some of the most used knowledge in society are fundamentally incorrect and have negative net value. The best examples are the whole field of social science and the discipline of computer science. The law passed to solve the Savings and Loan Crisis, Financial Institute Reform, Recovery, and Enforcement Act of 1989, set up the market comparison method as the mandate standard of real estate appraisal and has caused the Subprime Woe 20 years later to be an order of magnitude more severe than the S&L Crisis because all the real estate appraisers followed the incorrect market comparison approach, which kept the price rigid when the market condition had changed. Also, the current partially automated software based on artificial software standards has short-term benefits, but long-term harm, which has become clear in the growing software complexity crisis, where the bulk of the software budget is allocated for permanent manual update.

The solutions to many of the social problems are summarized in the invited paper Knowledge-Oriented Society: <http://www.kos4.com.kos.pdf> and the general example of a knowledge-oriented lifestyle is described at: <http://www.epigeneticlifestyle.net>.