

INTRODUCING PENTANOMICS

*The First Draft of the Final Form
of Political Philosophy*

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The point of philosophy is to start with something so simple as not to seem worth stating, and to end with something so paradoxical that no one will believe it. —Bertrand Russell

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PREFACE

Our political divide is such a mess, I am not even sure I can describe it without starting an argument.

For example, if I were to describe our political divide using the terms that each major faction often uses to describe themselves, I might say that the political right is fighting for limited government and economic freedom; the political left is fighting for social justice; and the political center is fighting for a common-sense compromise or combination—a fiscally conservative, socially progressive vision of government.

Some people might agree with that summary.

But others would point out that this summary is horribly incomplete because there are countless other issues that divide us.

And some people—this is where the argument starts—would say “That is not what the other side really believes. That is just what they say. And they are lying! What they really want is power and they will do anything to stay in power. They are corrupt. They are all about

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oppression and racism. They are ignorant. They are fools. They are stupid. They are evil. They are all of the above!”

With such emotion and distrust, how can we even make progress?

Is there anything that can cut through all the noise?

In this book, I will argue that the key to cutting through the noise is to focus on those things that logic can prove, precisely because logic has the capacity to prove things to be true or false without concern for opinions, feelings, popularity, power or prestige.

Logic simply is what it is, and we cannot do anything about it.

Also, the rules of logic never change. That means anything we can prove with pure logic is literally eternal and universal.

In short, logic is the key to discovering universal truths—truths that apply always and everywhere.

As a bonus, anything we can prove with pure logic is also perfectly nonpartisan—not political—meaning that logic is the key to discovering truths that transcend our political divide and have the ability to unite us.

For example, logic can prove that $2+2=4$.

And the fact that $2+2=4$ is, indeed, something that transcends our

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political divide. We all agree that $2+2=4$, right?

I hope so!

So there. At least there is *something* we can all agree on: $2+2=4$.

However, the universal truth that $2+2=4$ is not going to help us heal our political divide. What we need are *political* universal truths—universal truths (or ‘laws’) that have something to do with society, economics, morality, politics, or governance.

Luckily, logic can help us there because we can use logic to prove that the fundamental laws of economics are what they are *and that they govern all aspects of society*.

In other words, we can use logic to reveal the perfectly accurate, logically complete, nonpartisan truth about how best to govern.

And in the happiest of happy accidents, it turns out that this logically-complete vision of governance unites all of the big goals at the heart of our political divide, including freedom, justice, prosperity, social justice, political maturity, international harmony, and sustainability.

I call this a “happy accident” because it did not have to be that way. If the logic revealed that one side of our divide was 100% right and the other side was 100% wrong, that would have formed the

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basis of this book.

Luckily, that is not the case—we all get to claim victory, each in our own way. The political right gets to be right about the need for limited government and economic freedom. The political left gets to be right about the need to use public action to maximize social justice, and the political center gets their common-sense combination—the fiscally-conservative / socially-progressive vision of government.

And yes, it is true that we are divided about countless other issues, but that is why it is so important that this vision includes an argument for logical completeness. Name any issue, conflict or goal, and this framework addresses it.

In short, our political future is better than most people thought. We now have a defensible, logical, realistic vision of what the best possible future is, and how to get it.

To achieve the best possible future, all we need to do is use logic to explore the universal laws that govern all aspects of society and then teach everyone.

This book, along with the discussions going on in the members area of Pentanomics.org, are the key to learning these truths for

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yourself. Encouraging others to learn them is the key to solving the problem at scale.

Each additional person who learns these truths might only be a drop in the bucket... but that is how we fill the bucket.

Welcome to the Pentanomic Revolution!

—*Rick Raddatz*

INTRODUCTION

The goal of this book is to give you, the reader, a solid understanding of the universal laws that govern society, along with confidence that introducing others to these universal laws will, ultimately, help us come together politically.

Admittedly, in daily life, most people do not need to go this deep. Daily life, generally, is not that complicated. In daily life, all we really need to succeed is a bit of common sense.

However, common sense cannot help us when it comes to our political divide. I say that because common sense leads people to very different places. For example, common sense leads some people to pure communism; other people to pure capitalism; and everyone else to any number of points in between.

So, while common sense is good enough to guide our daily lives, it is not good enough to heal our political divide. *In fact, our reliance on common sense is the cause of our political divide!*

You see, when it comes to governing a society, there are counterintuitive truths that we must accept if we want to maximize

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the good in society; and the only way we can come to an understanding of these counterintuitive truths is by diving deeply and doing political philosophy right.

So, that is the goal of this book—to do political philosophy right.

I have no doubt that someone will come along some day and improve this book and the philosophy contained within. But until then, there is a good argument that no better political philosophy exists.

The argument is simple: This political philosophy stays within the confines of that which can be proved with logical necessity—*something no other comprehensive political philosophy can claim.*

In other words, the philosophy described in this book is not just another opinion. The philosophy described in this book is a cohesive, coherent, logical argument that includes logical completeness to boot.

However, for you to learn this philosophy, you must be *open* to learning it. That will be difficult for some people. This book is important precisely because it will challenge your beliefs—perhaps even some of your most deeply-held beliefs.

While on the journey, I encourage you to question everything. Be a skeptic! *But also, be open to a good argument.*

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One final point for this introduction: Simply by reading this book, you are helping to make the world a better place. I say that because politicians are incentivized to believe whatever the people believe, in proportion.

Thus, simply by raising the quality of our beliefs, we raise the quality of the incentives for politicians. This is good news because it means we do not have to write letters to Congress. We do not have to march on Washington, and we certainly do not have to riot in the streets.

All we must do to change the world for the better is *learn, share, and discuss*. That is how we acquire the knowledge, spread the knowledge, and then, finally, come to have confidence in the knowledge.

Learn, share, and discuss. That is your mission. That is the mission for all of us. And that is certainly my mission too. Learning, sharing, and discussing is how we can all come together—right, left and center—and work together to make the world a much better place.

— *Your Mission: Keep learning, sharing & discussing* —

PROLOGUE

Every 170 years or so, political philosophers have something new to say. And I have good news: *this is one of those years.*

The arguments presented in this book are original. They are result of a 14-year-long effort, led by yours truly. Thousands of private citizens representing all points of view took part in extended discussions. Hundreds of PhDs were consulted. More than a dozen PhDs were hired.

It was a big project.

The result is a breakthrough—a credible path to the best possible future and all the benefits that implies.

I will let the arguments speak for themselves. The main point I would like to make here is that this is not your ordinary political book. This is something new.

One of the challenges in writing this book is that there are so many “trigger” words—words that trigger peoples’ emotions. For example, the phrase “social justice” is a trigger for the political right, the phrase “the logically-necessary laws of economics” is a trigger for

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the political left, and strong beliefs in general are often a trigger for the political center.

So... If anything, I say in this book triggers you, I have two suggestions: (1) consider my full argument; (2) Submit a question at Pentanomics.org, asking for clarification.

After travelling the nation several times, after staying at the finest truck stops in America (and one of the worst), and after meeting with thousands of people from all points of view, I have no doubt that everyone can get this. I have no doubt that we can begin moving in the right direction, toward the best possible future.

But it doesn't really matter what I think, does it? It is what *you* think after reading this book that is most important. My email is Rick@Pentanomics.org. I would love to hear from you.

—*Rick Raddatz*

CHAPTER 1

THE UNIVERSAL LAWS THAT GOVERN SOCIETY

In this chapter, we will explore the universal laws that govern society. These laws work together and reveal that the only way to maximize the good in society is to minimize the five kinds of harm and allow the five kinds of freedom to play out over time.

The result is a five-economy model of society that can be proven to be both correct and complete. In the five-economy model, each economy maximizes the good that we can get from a different type of action.

- The private economy maximizes prosperity.
- The public economy maximizes social justice.
- The political economy maximizes political maturity.
- The foreign economy maximizes international harmony.
- The governing economy is the meta-economy. It maximizes all the above plus sustainability.

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OPINIONS, FACTS, AND LOGICAL NECESSITY

Opinions, facts, and logical necessity are the three primary tools that can help us understand how the world works and how we should govern society.

All three have a role to play, but we have to know their strengths and limitations, so we use them in the right way.

The freedom to have opinions is *political freedom*, and if we are smart and good, we want that type of freedom.

For example, even if other people think your opinions are wrong, hopefully, they still want you to have the right to those opinions.

The same is true in reverse. If we want political freedom ourselves, we are going to have to offer others political freedom.

But there is a problem. When two people have different opinions about something important, how do we decide which opinion is better or worse? Right or wrong?

If all we have are opinions, then there is no objective truth, and our political decision-making process unavoidably becomes about popularity, money, celebrity, games, power, political parties, etc.—
all the things we do not want it to be about.

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So, if we want to heal our political divide, we need something more powerful than opinions.

Some people claim facts can help. For example, a popular expression in politics is that you are entitled to your own opinions, but you are not entitled to your own facts.

This is true because even though facts might change over time, at any one moment in time, facts are what they are. Period. Facts are, therefore, a type of objective truth.

However, facts alone are not powerful enough to help us out of our political divide.

A simple example of how powerless facts are to help us is the fact that there is poverty in the world. The existence of poverty is a fact, and nobody seriously disputes it.

But what should we do about poverty? Facts cannot tell us! And we disagree strongly. That means we end up right back in the opinion battle.

That is why logical necessity is so important. If we add in logical necessity, now we have a complete set of tools.

What is logical necessity? To put it simply, something is logically necessary if it simply cannot be any other way. Something is logically

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necessary if logic demands it.

A non-political example of logical necessity is the mathematical truth that $2+2=4$. Nobody has a choice about that. Nobody.

Now, logical necessity cannot do everything. But logical necessity can help us understand the universal laws that govern society (e.g., the laws of economics and how those laws apply to all aspects of society)

Once we understand those universal laws, we can put the facts into context, and form our opinions after that.

Notice that this is the opposite of what is usually done when people form opinions. Most people form opinions by starting with their emotions, common sense, and life experience. We can call this the ‘opinion-first’ approach.

If we use the opinion-first approach then, when facts or logical necessity conflicts with our opinions, we are tempted to ignore those conflicts, deny them, or even ridicule them.

However, if we do the opposite... if we take a logical-necessity-first approach, then we start with a solid foundation—the universal laws that govern all aspects of society. Then we can put the facts in context to form our opinions.

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In short, the opinion-first approach is the path to political dysfunction; the facts-first approach is insufficient; and the logical-necessity-first approach is the path to the best possible future.

— *Your Mission: Keep learning, sharing & discussing* —

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UNIVERSAL LAW #1

The topic for this section is a fun one. It is universal law #1, which says, “*We have no choice about the laws that govern society.*”

Really?

We have no choice about the laws that govern society?

UNIVERSAL LAW #1

*We have no choice
about the laws that
govern society*

Some people might say, “Wait a minute, of course, we have a choice! Every society, through their own process, can pass whatever laws, regulations, mandates, taxes, and spending they want!”

Admittedly, those who wish to deny universal law #1 certainly have a powerful common-sense-based argument.

For example, in a modern democratic republic, the people, through their representatives, certainly do make a lot of choices. And even in a dictatorship, choices are still being made—though it is the dictator who makes those choices. So, it quickly becomes clear that *every* society has a choice about the laws that govern their society.

So... What could universal law #1 even mean?

Well, let me ask you a question: After a society approves of all the

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laws, regulations, mandates, taxes, and spending, then what happens?

Well, in the private economy, for example, after any society gets done passing all of its big plans, what happens is that the laws of economics take over, *and it is the laws of economics that decide how well or poorly these plans will play out.*

And make no mistake... we have no choice about the fundamental laws of economics. The laws of economics are what they are because logic demands it. If we are in alignment with the laws of economics, we will thrive. If we are out of alignment with the laws of economics, we will suffer. And over time, this pushes us ever so gently—but persistently—into alignment with the laws of economics. And we do not have a choice about that.

So, who or what *actually* governs the private economy?

Is it the people? Is it the politicians? The dictator? The laws we pass? Or is it the laws of economics?

In the private economy, at least, it is clearly the laws of economics that govern. And that is the whole point of Universal Law #1.

But wait... the private economy is just one part of society. What about the rest of society? What about public action (the public's funding of social programs)? What about political action (e.g., running for office)? What about foreign action (e.g., everything a

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foreign power might do)? What about governing action (the attempt to govern all this action)?

Well, as we will see in the discussion of Universal Law #3, it turns out that the laws of economics govern ALL human action.

And that means the best we can do is align ourselves with the laws of economics. If we align ourselves with the laws of economics in every way, we thrive in every way—maximizing all that is good. If we are misaligned with the laws of economics in *any* way, we will likely suffer in that particular way.

So, in no meaningful way do we have a choice about the laws that govern society. The laws of economics are the laws that govern society.

If some people want to be in denial about that, okay, but then they are helping society suffer by perpetuating misalignment with the laws that truly govern society.

It is only by accepting Universal Law #1 that we can make progress in healing our political divide.

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UNIVERSAL LAW #2

Universal Law #2 is a big one. It says, “The only way to maximize the good is to minimize the harm.”

This gets to the heart of our political divide because every political disagreement—one way or another—is, ultimately, a disagreement about what is good, or how best to achieve it. To understand this universal law and prove it is true, we need to dive deeply into the logic of economics.

UNIVERSAL LAW #2
*The only way to
maximize the good is
to minimize the
harm*

The logic of economics—for our purposes, at least—is the logic that connects the following concepts:

<i>Human action</i>	<i>Sustainability</i>
<i>Harm</i>	<i>Negotiations</i>
<i>Minimizing Harm</i>	<i>Continuous Improvement</i>
<i>Freedom</i>	<i>The Maximum Good</i>

If you want to be an economist, you will have to learn a much larger list of concepts. But all we are interested in right now is proving that the only way to maximize the good is to minimize the harm. To

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do that, these eight concepts are all we need.

The logic of economics begins with the idea that humans act. Now, human action could be perceived as helpful, or it could be perceived as harmful. That is because value is subjective and different people will perceive the same act in different ways.

Luckily, we do not need to worry about all the helpful action people might do voluntarily. We can simply welcome that. All we must worry about is the harmful action people might do.

And what should we do with harmful action? Well, how about we minimize harm? Now, we might never agree on exactly how to minimize harm but one thing we can all agree on—because logical necessity demands it—is that the degree to which we succeed in minimizing harm is precisely the degree to which we get freedom from harm.

And what can we do with this freedom? Well, we can do whatever we want if we do not harm other people, including not harming future people. This means the concept of minimizing harm includes the need to live within sustainable limits.

Within those limits, having freedom means the freedom to negotiate. This becomes clear when you consider that if you want something, but you cannot steal it, you have to negotiate for it.

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Now, negotiation in this context—the context of freedom—is an attempt to improve the world, at least for the people in the negotiation, but they are not allowed to harm the world. So, what is being incentivized here is the pursuit of improvement without harm.

And this is where the logic becomes economic. It becomes economic because if everyone is incentivized to improve the world without harming the world, the world tends to improve. This is why we see continuous improvement on average, over time in the private economy, at least in terms of products and services.

And where does continuous improvement lead? Over time, continuous improvement grows ever closer to the maximum good.

This is the logic of economics.

In short, what we have discovered so far is that minimizing harm is a way to maximize the good.

But is it the only way?

Well, the way to prove that is to consider what would happen if we do less than that or more than that.

If we do less than that—if we fail to minimize harm—then we are letting harm run amok. And letting harm run amok is not going to maximize the good.

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On the other hand, if we govern too much, that means we are trying to become the benevolent dictator who uses his or her power to force otherwise free people to do whatever the benevolent dictator wants. Now, a benevolent dictator can, indeed, do good. However, a benevolent dictator can only do a certain amount of good. A benevolent dictator can never maximize the good. However much good a benevolent dictator might do, greater good can always be discovered via a process of constant improvement.

Aha!

If we do less than minimize harm, we do not maximize the good.
If we do more than minimize harm, we do not maximize the good.

That leaves only one way to maximize the good—Universal Law #2—The only way to maximize the good is to minimize harm (and resist the temptation to do more or less).

The argument in favor of Universal Law #2 is by far the most intricate of the three universal laws. But it might just be the most important because, again, disagreement about how to maximize the good is at the heart of our political divide.

— *Your Mission: Keep learning, sharing & discussing* —

UNIVERSAL LAW #3

Universal Law #3 is the simplest of the three universal laws, but it is essential to solving the political puzzle completely.

Universal Law #3 says, “Societies have five economies.”

UNIVERSAL LAW #3

Societies have five economies

The simplest way to think about it is that there are five types of action in society (private, public, political, foreign and governing) and if we are smart and good, we will want to put all five types of action to their best use.

In other words, each of the five economies is economizing a different type of action.

The five types of action are:

1. Private Action (e.g., going to the store)
2. Public Action (e.g., publicly funded assistance)
3. Political Action (e.g., running for office)
4. Foreign Action (e.g., anything foreign powers do)
5. Governing Action (e.g., governing all this action)

A frequently asked question focuses on the difference between governing action and public action. The key is to realize that most of

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what government does is governing action—with one exception—publicly-funded assistance (i.e., social programs). After all, publicly funded assistance does not govern anything. So, even though public action and governing action are both performed by the government, they are separate types of action.

Some people ask for clarification on the line between political action and both public action and governing action. The key here is to remember that political action is something individuals or groups *within* a larger group or society do and both public action and governing action are types of action *the society itself* does through government

A final point of potential confusion is that a single action in the real world might be more than one type of action at the same time. For example, the CEO of a multi-national company could be acting as a private actor, a foreign actor, or both.

Luckily, these points of confusion do not undermine our overall confidence that these five types of action exist. After all, we see all five types of action on the news every day.

However, reasonable people might disagree strongly about the definitions of these five types of actions and reasonable people might suspect that there could be more types of action.

So... How do we know this is the right list and how do we know that this list is complete?

To ensure these five types of action form a complete set, I have created a simple thought experiment, called “The Genesis Experiment.” The Genesis Experiment begins by imagining a lifeless world. Then, into that world, we add people—one at a time—first populating a society, then the world, and finally the future.

Each time we add a person in the thought experiment, we consider how the mere addition of that one person affects the types of action that are possible from the point of view of the society in the experiment.

The quick version of this thought experiment is as follows:

1. With one person in the world, private action is possible.
2. With two people in the world, they can act as a group—a mini society—and that means public action is possible.
3. With three people in the world, two people can outvote one, meaning it is now possible to apply political force—political action.
4. With a single person outside the society, foreign action is possible.
5. Imagining a single person in the future makes governing action possible. (Without the concept of future people,

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governing action makes no sense. e.g., even something as simple as putting up a stop sign only affects future people—people who see the stop sign *after* it has been put up. In short, governing action is inherently future-focused.)

6. And finally, adding more people in society, out of society or in the future, does not add any new types of action. This can be confirmed by examining both low-population and high-population scenarios.

This simple thought experiment explores *all* potential relationships between individuals and a society. As a result, we can now confidently say this is the right list. A society must concern itself with five and only five fundamental types of human action.

The only question that remains is what we want to do with all five types of action. In other words, how shall we *economize* them?

And even without agreeing on how to govern the five economies, we can agree that there are five economies.

And that is Universal Law #3: Society has five economies.

— *Your Mission: Keep learning, sharing & discussing* —

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A FIVE-ECONOMY MODEL

In this section, we put Universal Laws #1, #2, and #3 together to create a new model of society.

From Universal Law #1, we learned that we have no choice about the laws that govern society because ultimately, it is the laws of economics that govern all aspects of society and the laws of economics are what they are because logic demands it.

From Universal Law #2, we explored the logic of economics and learned that there is an ultimate law of economics that says the only way to maximize the good is to minimize harm.

From Universal Law #3, we learned that societies have five economies.

Putting these three laws together, we can build a logically necessary, logically complete understanding of how best to govern society.

As it happens, all of this fits beautifully into a single table.

Imagine a table in which each row is a type of action and each column is a step in the logic of economics. Such a table would reveal how the logic of economics applies to all aspects of a society.

THE PENTANOMIC TABLE

ACTION	HARM	MIN HARM	FREEDOM	SUSTAINABILITY	NEGOTIATION	MAX GOOD
PRIVATE	THEFT	POLICE	ECONOMIC	ENVIRONMENTAL	PRICES	PROSPERITY
PUBLIC	WASTE	PRIORTIZE	PRIORITY	FISCAL	PRIORITIES	SOCIAL JUSTICE
POLITICAL	OPPRESSION	CHECK & BAL	POLITICAL	POLITICAL	COMPROMISES	MATURITY
FOREIGN	INVASION	DEFEND	NATIONAL	GEO-POLITICAL	ALLIANCES, ETC	HARMONY
GOVERNING	BAD GOVT	EDUCATE	IDEOLOGICAL	IDEOLOGICAL	IDEAL JUSTICE	BEST FUTURE

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I call this table *The Pentanomic Table*, because *penta* means “five” and *nomic* refers to “economic.” So, you can think of this model as “The Five-Economy Model of Society,” or “The Pentanomic Model”, or simply “Pentanomics.”

Let us explore the table, starting with the row headings and column headings. The row headings are the five types of action. The column headings are the elements (concepts) from the logic of economics.

What makes this model important and powerful is that we have no choice about the row headings (the five types of action) and we have no choice about the column headings (the logic of economics). From this, we can conclude that we have no choice about the entire model. The model is what logic demands.

The Pentanomic Table, therefore, does indeed represent a logically necessary and logically complete understanding of society.

The Pentanomic Table will be used repeatedly throughout this book as a visual aid. You can get a printable version of this table at Pentanomics.org/Table.

Another way to think about the Pentanomic Table is that it is to politics what the periodic table is to chemistry. In the world of chemistry, the periodic table puts all the elements of chemistry together so we can see how they all relate. Well, it is the same thing

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here, but now the topic is politics.

My dream is that as kids grow up in the future and learn about history or politics in school, they will have the Pentanomic Table on the wall. That will be appropriate because this table is not someone's opinion... this table is not political... this table represents the logically necessary, logically complete understanding of how the world works.

Some people might say, “Wait a minute! This table is nothing new. We discuss all of these topics every day. All you have done is organize it a little bit.”

In response, I agree that there is nothing new *in* the table. What is new is *the organization*. To understand just how valuable the organization is, consider this alternative organization:



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That alternative organization (I call it the ‘political cloud’) has all the same concepts listed. But what a disorganized mess!

And that is the point. The political cloud reflects the current state of political philosophy and the current state of political philosophy is a mess. No wonder it seems impossible to come together and agree on anything!

The problem with the cloud model is that there is no clear way to see if it is logically necessary nor logically complete. Also, there is no clear way to see how everything relates.

In contrast, once we take the time to discover how all these concepts relate, we discover the Pentanomic Model—the five-economy model of society.

— *Your Mission: Keep learning, sharing & discussing* —

CHAPTER 2

THE FIVE ECONOMIES

In this chapter, we will explore the five economies that the universal laws reveal.

As mentioned previously, each of the five economies harnesses a different type of action, maximizing a different type of good:

- The private economy maximizes prosperity.
- The public economy maximizes social justice.
- The political economy maximizes political maturity.
- The foreign economy maximizes international harmony.
- The governing economy is the meta-economy. It maximizes all the above plus sustainability.

Each of these five economies is governed by the exact same logic—the logic of economics.

One of the biggest takeaways from this chapter is that the logic of economics can seem right leaning, left leaning or neutral, depending on which economy it is applied to.

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That is because the logic of economics is perfectly neutral—it is just logic—and it is our divide that colors our opinions.

THE PRIVATE ECONOMY

To most people, the private economy is the most familiar economy of the five economies. However, there is still much for us all to learn here because how we govern the private economy is at the heart of our political divide.

We will use the Pentanomic Table as our visual aid (page 18 or Pentanomics.org/Table). We will focus on the top row—the row that represents the private economy, as summarized here:

Type of Action -----	<i>Private</i>
Example of Harm -----	<i>Theft</i>
Method to Minimize Harm -----	<i>Police</i>
Freedom -----	<i>Economic Freedom</i>
Sustainability -----	<i>Environmental</i>
Negotiation -----	<i>Prices</i>
The Maximum Good-----	<i>Prosperity</i>

The logic of the private economy begins with the idea that humans have the potential to act privately (in and of their own volition).

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Private actions include going to the store, buying a car, stealing a car, starting a business, running a business, starting a nonprofit charity, running a nonprofit charity, etc.

Some of that action is helpful, and some of that action could be harmful. We do not need to worry about all the good action that people do voluntarily. We can just welcome that. But the harm is something we want to minimize.

Examples of harm via private action include lying, cheating, stealing, kidnapping, raping, killing, initiating force, aggression, intimidation, coercion, threats, domination, abuse of monopoly power, and so on.

What do we do with those? How do we minimize them? Well, we must police them.

The degree to which we minimize harm via private action is the degree to which we have freedom from that harm—A.K.A., *economic freedom*.

Economic freedom is the freedom to buy or not buy, sell or not sell.

It begins with the idea that we own our bodies and we own our time. We own our education, our knowledge, our skills and abilities, our hopes, dreams, and fears. We own all of that.

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For example, if we use our own time in trade for money, then we own that money. And if we use that money to buy other goods, we own those goods.

In other words, the concept of *property ownership* is built right into the logic of the private economy. That is why denying people the right to own property (communism) destroys the private economy.

There are limits, however, because we are not allowed to do harm. That includes not harming the future, which is where the need to live within sustainable limits comes in.

In other words, the need to live within sustainable limits is built right into the fundamental logic of economics. It is just another way we need to minimize harm.

Within those limits, we have the freedom to negotiate.

The reason freedom is the freedom to negotiate is because if you want something from me, but you cannot steal from me, your only remaining choice is to negotiate with me.

And what are we negotiating? In the private economy, we are negotiating *prices*.

This is true even if we are not using money. For example, if you

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have one cow and I have two sheep, we might do a trade. If so, we can say the price of the cow is two sheep, and the price of two sheep is one cow.

This negotiation is where things become economic because a negotiation in the context of economic freedom is an attempt to improve the world, at least for the people in the negotiation.

Now, improvement without harm has the potential to accumulate. It is not guaranteed, but we have centuries of evidence that says it does accumulate thanks to the constant improvement we see in products, services, and prices on average over time.

And where does constant improvement lead? Over time, it leads towards the maximum good. In this case, general prosperity. I say *general* prosperity because no one individual is guaranteed to be prosperous, but society will very likely be prosperous if it adopts economic freedom.

So, just like we saw in Universal Law #2, it all comes down to minimizing harm. If we fail to minimize harm, we are letting harm run amok, which is not good. If we do more than this, then we are trying to become the benevolent dictator, meaning we are trying to force our own idea of good onto otherwise-free people. And even if

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that use of force improves the world a bit, there is no way that use of force can maximize the good.

Thus, the only way to govern the private economy properly is to minimize harm and resist the temptation to do more or do less.

Resisting that temptation is hard. If you believe we should do more than minimize harm in the private economy, the *public* economy (public assistance) is the proper way to do that and we will explore that in the next section.

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THE PUBLIC ECONOMY

In the previous section, we applied the logic of economics to the private economy. In doing so, we discovered something quite right-leaning. We discovered that the only way to maximize the good in the private economy is the free market approach to governing the private economy. That is about as right-leaning as it gets!

This section will balance things out because when we apply the logic of economics to the public economy, we discover something equally *left-leaning*—a way to maximize social justice through public action (publicly-funded assistance). And maximizing social justice through public action is about as left-leaning as it gets!

The idea behind the public economy is that by constantly reprioritizing the social-spending budget, we constantly improve our ability to identify who needs help the most and what ideas might help them best. Over time, this maximizes social justice in a society.

In fact, we can prove that economizing public action is the *only* way to maximize social justice. We can prove that because forcing our will onto the private economy burdens the private economy and when that happens, it is not the rich people who suffer most... it is the poor people who suffer most. And none of the other economies focus on helping poor people directly. Therefore, the only way to

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maximize social justice in a society is to economize public action (to economize social programs).

Some people ask why the public economy is all about social spending. Well, as we discussed in an earlier section, most of what government does is *governing* action and if we take away all the governing action, what we are left with is the money we have just to help each other—A.K.A., the funding of social programs. So that is why public action is all about social programs.

Chapter three has a whole section dedicated to social justice. For now, let us focus on how the laws of economics apply to the public economy.

Once again, we will use the Pentanomic Table as a visual aid (see page 18 or Pentanomics.org/Table). This time we focus on the second row, the public economy, summarized here:

Type of Action -----	<i>Public</i>
Example of Harm -----	<i>Waste</i>
Method to Minimize Harm -----	<i>Prioritize</i>
Freedom -----	<i>Priority Freedom</i>
Sustainability -----	<i>Fiscal</i>
Negotiation -----	<i>Priorities</i>
The Maximum Good-----	<i>Social Justice</i>

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The public economy begins with the idea that the public (society as a whole), can act. For example, if we decide to tax ourselves and then spend that money trying to help people, that is public action.

Some people argue that taxing some people and using that money to help other people is a type of theft—theft via voting!

That would be true if our society forced people to stay in society—and some societies do that! But in a society where people are free to leave, then participation is clearly voluntary and clearly-voluntary participation is not theft.

Yes, it is a bummer that leaving a country is a difficult transition, but that does not change the fact that if a person is here voluntarily, they are here *voluntarily*.

Back to the logic of economics: Tax money could, in fact, be wasted, which would be an example of harm. To minimize this kind of harm, we need to prioritize the spending, meaning we need to rank the spending from top to bottom.

Prioritizing a budget is not easy, but that is the only way to minimize waste.

Some people wonder who does the prioritizing. Well, *the people* do the prioritizing. And in a democratic-republic, that happens

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through our representatives.

Yes, it will be a big political fight, but that is exactly the political fight that we should be having.

If we have the freedom to prioritize social spending in our society, we get what I call priority freedom.

Most countries do not have priority freedom right now because most countries are stuck in the *entitlement* era.

The entitlement era is all about making promises to people—telling people they are *entitled* to money or other forms of assistance. Those types of promises are popular, but they come at a great cost—the loss of priority freedom.

In a nutshell, the problem with the entitlement era is that by making big multi-generational promises, all that money is not free to compete for new ideas, and ideas are not able to compete for money. That destroys a society's ability to constantly improve social programs and maximize social justice.

To maximize social justice, we need to start prioritizing the budget instead of promising the budget. Constantly reprioritizing the social-spending budget within fiscally sustainability limits will allow us to constantly improve our ability to help people over time. And

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that is the only way to truly maximize social justice.

Now, this ability to maximize social justice through public action does not replace the private economy, friends and family, nor privately funded charity. Prioritized social spending works *alongside* those other approaches, helping to fill in the cracks.

Think of it this way: The private economy, along with friends and family and privately-funded charities get the first crack at helping people. But there will be people who still need help. There will be gaps. Closing those gaps is the job of the public economy.

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THE POLITICAL ECONOMY

When we applied the logic of economics to the private economy, we discovered something right-leaning, the free-market approach to governing the private economy.

When we applied the logic of economics to the public economy, we discovered something equally left-leaning—a way to maximize social justice through public action by constantly reprioritizing the budget.

In this section, we will apply the logic of economics to the political economy and we will discover something politically neutral—the need to check and balance political ambition.

This is politically neutral because we already agree, largely, on the idea of using checks and balances to govern the political economy.

This ability for the logic of economics to appear to be right leaning, left leaning or neutral in different situations is because the logic of economics itself is perfectly politically neutral. It is simply logic, after all.

It is only because of how skewed our political divide is that the logic sometimes appears right leaning and sometimes appears left leaning.

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Back to political action, the reason checks and balances are the key to minimizing the harm political action might do is because we need some way of policing (checking) political action without putting any one faction in charge. Putting one faction in charge would be political oppression.

So, to check political ambition without putting any one faction in charge, we set all political factions against each other in as balanced a way as possible.

Checks and balances, therefore, give us political freedom—the right for you to have your views, express your views, and even join with others and push your views. In fact, you are free to push as hard as you want as long as you do not do harm. That is ok because the other factions are doing it too. The result, in the end, is a negotiation over various compromises, producing political maturity over time.

To explore how this matches up to the logic of economics, we will, once again, use the Pentanomic Table as a visual aid (see page 18 or Pentanomics.org/Table)

This time, we focus on row number 3, as summarized here:

Type of Action -----*Political*

Example of Harm -----*Oppression*

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Method to Minimize Harm ----- *Checks and Balances*

Freedom ----- *Political Freedom*

Sustainability ----- *Political*

Negotiation ----- *Compromises*

The Maximum Good----- *Political Maturity*

To begin, we start with the idea that people can take political action. This is possible in any group with three or more people.

Three is needed because with only two people, they can agree or disagree on any one issue, but they have no ability to exert political force. They have no way, for example, to reward a political friend at the expense of a political enemy.

The potential harm, as we discussed, is the potential for political oppression—where one group is in charge and is forcing its views on everyone else.

The way to minimize this harm, again, is checks and balances. Elections are an example of a check and balance. Political actors compete in elections for limited positions of power. And in a well-designed government, the positions themselves are set against each other, keeping everything checked and balanced in that way too.

If we do a good job checking and balancing political ambition to minimize oppression, we get political freedom—the freedom to

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believe whatever you want, the freedom to push your views in society and so on.

However, this must all be done within the limits of political sustainability. No fair electing a dictator with a lifetime term or—worse—the hereditary right to rule.

In politically mature countries, concern about electing a dictator is rare, but in other countries, it is a real possibility every single election.

So... What is being negotiated in the political economy? Compromises.

Compromise is unavoidable under checks and balances because if no one group is in charge, the groups have no choice but to work out some sort of deal.

They will resist it. They will fight it. They will do everything they can to be politically oppressive in sneaky, underhanded ways. But with checks and balances in place, this can all be held in check.

As each compromise is an attempt at improvement without harm, the potential over time is political maturity.

To be clear, I am not suggesting that politicians are ever mature! Rather, the cumulative progress from compromises over time makes

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the *system* more mature. Here in America, for example, we can look back at centuries of progress. We clearly live in a much more mature society, even if individual politicians and political parties are still a bit out of control.

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THE FOREIGN ECONOMY

In everyday usage, the word ‘economy’ has been so tied to the private economy; we might have some confusion about what the foreign economy is all about.

So, to be clear, when we talk about the foreign economy, we are not talking about a foreign country’s private economy. We are talking about encouraging foreign powers to do things that benefit us. We are talking about *economizing* foreign action.

In real life, it might be unclear whether an act is a domestic private act or a foreign act. For example, a foreign agent could be operating inside our country. So, in order to properly structure the foreign economy, we need to defend our country from all foreign threats.

Using the Pentanomic Table once again as a visual aid (see page 18 or Pentanomics.org/Table), we will focus on row number 4, the foreign economy row, as summarized here:

Type of Action -----	<i>Foreign</i>
Example of Harm -----	<i>Invasion</i>
Method to Minimize Harm -----	<i>Defense</i>
Freedom -----	<i>National Freedom</i>

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Sustainability ----- *Geo-Political*

Negotiation ----- *Alliances, etc.*

The Maximum Good----- *International Harmony*

The foreign economy begins with the idea that humans exist outside of our society, and they can act.

To be complete, foreign action includes not just foreign nations but also foreign individuals and foreign groups of any size.

A dramatic example of harm via foreign action would be invasion. But there is also coercion and corruption and many other kinds of harm that a foreign power could inflict on us.

How we defend ourselves from foreign harm depends on the types of threats that we are worried about.

However, one thing we can be certain about is this: The degree to which we defend ourselves is the degree to which we have freedom as a nation—what I am calling national freedom.

But we also need to worry about sustainability. Sustainability, in general, is about making sure the future is not harmed. So, in this case, that means we want to be sure an evil foreign power does not rise up and gain so much that we can no longer stop it. This suggests that geo-political sustainability requires us to proactively defend

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ourselves from evil in the world.

If we defend ourselves and future generations from foreign harm, then foreign powers will have no choice but to negotiate, which means negotiating alliances and trade deals, etc.

As time passes, these negotiations have the potential to constantly improve the world, creating ever-more international harmony.

This is not to suggest that the world can ever be perfectly harmonious, but constant improvement is, again, a way of maximizing the good over time.

At this level of detail, the topic of foreign affairs is not very controversial, so the logic of economics is, once again, politically neutral. However, we disagree dramatically in how to apply this logic in the real world.

But that is appropriate. That is a healthy political divide.

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THE GOVERNING ECONOMY

The governing economy is the meta-economy, meaning that if we govern better and better, we maximize all of the good goals we have been talking about.

Using the Pentanomic Table as a visual aid, once again, (see page 18 or Pentanomics.org/Table), we will now focus on the bottom row, as summarized here:

Type of Action -----	<i>Governing</i>
Example of Harm -----	<i>Bad Government</i>
Method to Minimize Harm -----	<i>Education</i>
Freedom -----	<i>Ideological Freedom</i>
Sustainability -----	<i>Ideological</i>
Negotiation -----	<i>Ideal Justice</i>
The Maximum Good-----	<i>The Best Future</i>

The logic begins with the idea that humans have the potential for governing action—the ability to govern (incentivize) human action.

Governing action can be good, but it can also be bad. Examples of bad governing come in two categories: *governing too little* and *governing too much*.

And since perfection is impossible, it is probably safe to say that

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we are always governing too little or too much in every aspect of society.

The key to minimizing bad government is education—specifically education about the universal laws that govern society. Education, obviously, is the whole point of this book and is, likewise, the whole point of the Pentanomic Revolution.

The more we educate ourselves about the universal laws that govern society, the more we, as a society, can align ourselves with them, and the better life will be in every respect.

In the model, the degree to which we minimize ideological harm (harmful ideas) is the degree to which we achieve ideological freedom—freedom from harmful ideologies.

Ideological freedom and political freedom can easily be confused, but once we understand them it becomes clear that they are vastly different.

Political freedom, again, is the freedom to believe any idea, even harmful ideas. Ideological freedom is when we are so well-educated that we are protected from harmful ideas.

To fail to pass on what we have learned would mean to fail to be ideologically sustainable. So ideological sustainability is all about

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passing on our wisdom to the next generation.

In this way, across the generations, we negotiate what ideal justice is, with each generation getting a chance to reconsider past decisions and try to move the ball forward.

It may be helpful to contrast the negotiation in the governing economy to the negotiation in the political economy. In the political economy, political factions negotiate compromises of the moment. In the governing economy, generations pursue the ideal.

Over time, as each generation has their say, it is once again an attempt at improvement without harm. Over time, this has the potential to add up, only instead of a single benefit, the benefit of ever-better governing is all of the benefits we have been discussing, along with sustainability to boot. In short, the benefit of the governing economy is a meta-benefit—*the best possible future*.

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CHAPTER 3

WHAT IT ALL MEANS

The first two chapters explored the logic of economics and how that logic applies to each of the five economies. But what does it all mean?

Well, first and foremost, it means we have a new worldview. Second, it means we need to learn how to apply this to real-world situations. Third, it means we need to rethink everything—especially when it comes to core concepts like greed, social justice and our confidence in other worldviews. In other words, the discovery of the new worldview means we get a chance to reboot our political divide.

That will be difficult for some people. We are so used to our political discussions being nothing more than opinion vs opinion that it might be difficult to comprehend just how unyielding (authoritative) logical necessity is.

Denial, avoidance, and ridicule from outside the movement should be expected. But acceptance, enthusiasm, and joy from within the movement should also be expected.

It is a whole new ball game.

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A NEW WORLDVIEW

Having completed our exploration of the five economies, what we have now is a new way to view the world—*a new worldview*.

And since this new worldview is based 100% on pure logic, rather than opinion, this new worldview is not right-leaning or left-leaning. It is not even centrist.

It is holistic. It is transcendent.

Finally, we have a worldview that we can all come together on! Not perfectly—never perfectly. But that is ok.

The most amazing feature of this worldview is that it does not require perfection. All we need to do to maximize the good is to minimize harm. Not eliminate. *Minimize*.

What we are looking for, more than anything, is constant improvement. We just need to govern well enough that we see constant improvement in all aspects of society. If we see that, we are moving in the right direction.

If we reach a point where we can all sit back—right, left and center—and all agree that we are moving in the right direction, in every aspect of society... well, that is all we need to declare that our current political era has ended, and that a brand new, more mature political era has begun.

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Again, this is all based on logical necessity.

We have no choice about these five types of action (the row headings in the table); We have no choice about the logic of economics (the column headings in the table); And that means we have no choice about any of it.

And what is more, this model is logically complete. This model accounts for all human action and all human potential from all points of view, including the point of view of all groups of all sizes, all societies of all types and all individuals to boot. Plus, it includes an argument that there is only one way—in general terms—to do it right.

Bottom line: If we want the best possible future, we now know exactly what must be done: We must learn this worldview. We must share this worldview. We must discuss this worldview. Learn, Share and Discuss.

Doing those three actions is how we will come to have a healthy majority of people who believe in this new worldview.

We can now imagine a future—not too far away—where our political divide will take on a new character. Instead of disagreeing about seemingly everything, we will disagree only about the implementation details. That is progress.

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So, no... We will never end our political divide. But that is ok...
Our goal is progress, not perfection.

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CHAPTER 3: WHAT IT ALL MEANS

REAL-WORLD APPLICATION

So...We have a brand-new world view. But what do we do with it? How do we use it to improve the world, to make change, to bring our political divide together and so on? How do we apply it to the real world?

Applying this worldview to the real world falls into two categories: (1) the big picture and (2) individual issues.

THE BIG PICTURE

As I mentioned before, politicians are incentivized to believe whatever we the people believe, in proportion. That means for us, the pressure is off. We do not have to become the experts ourselves on every little issue. All we must do—as a people—is come to believe in the Pentanomic world view.

If a healthy majority of people believe in the Pentanomic worldview, then a healthy majority of politicians will believe in the Pentanomic worldview. And that is when the world changes for the better.

But can we trust incentives to work?

In a word, *absolutely*. This is one case where absolute confidence

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does not come from logic. Instead, it comes from *centuries* of evidence that everyone responds to incentives, including individuals, organizations, politicians, representatives, government employees, political groups, political parties, and even nations.

So yes, we can trust incentives to work. All we need to do is give politicians, representatives and political parties the *correct* incentives. Prior to the discovery of the Pentanomic model, we had no clue how to do that. All we had were guesses. But now we know.

So, to solve all our real-world problems, we do not have to become experts in anything. We simply must believe in the Pentanomic worldview and let the incentives take care of the rest.

A real-world example of the power of incentives to solve problems we are not remotely experts in is how our Founding Fathers (here in America) helped design the iPhone.

You see, hundreds of years ago, our Founding Fathers established the economic incentives that are still in place (more or less) today.

It is these incentives that led, ultimately, to the invention of the iPhone. Sure, Apple gets the credit. But even if Apple was not around, someone would have invented something very similar. It was only a matter of time.

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Furthermore, we, as individuals, do not feel any pressure to become experts in iPhone design ourselves. Instead, we trust that the incentives acting on the Apple corporation will encourage Apple to constantly improve the iPhone. And they do.

The answer to the ‘big picture’ issue is, therefore, straightforward. To solve everything that can be solved, all we need to do is help a healthy majority of people believe in Pentanomics. If the people believe, so will the politicians.

APPLYING THE MODEL TO INDIVIDUAL ISSUES

Some people may not be satisfied with the ‘big picture’ approach. Many people have their favorite issues, and they want to know what Pentanomics means to those issues.

For example, what is the Pentanomic answer to healthcare? Or border security? Education? Abortion? Religious freedom? Etc.?

We will be discussing all these issues and countless more on our weekly live Q&A conference calls happening every Thursday evening at 6pm Pacific at Pentanomics.org. You are invited!

For the purposes of this book, however, I can give you a general approach that will help you address any conceivable issue. That is one of the benefits of having a logically-complete, logically-necessary

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understanding of how the world works.

The key, once again, is to use the Pentanomic Table (see page 18, or Pentanomics.org/Table).

This time, instead of focusing on one row in the table, we will use the whole table. The first step is to ask which row or rows are directly involved in the issue we are trying to solve.

For example, if we want to solve the problem of healthcare, we probably want two things: First, we probably want the best healthcare possible; Second we probably want everyone to be able to get great healthcare, not just the people who can easily afford it.

That means healthcare is one-part prosperity and one-part social justice. So, we will focus on the first two rows (private action and public action).

Once we have identified the rows, we look at column three. Column three is a list of the things that government should be doing.

So, in this example, government should be policing private action to minimize all the various types of private harm in order to maximize general prosperity. Second, government should be prioritizing the social-spending budget to minimize waste and maximize social justice.

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The third step is to compare that to what we are doing right now.

Currently, here in the U.S., for example, we are doing a good job of policing theft, but we are doing more than that when it comes to healthcare. We are regulating and mandating a zillion details in the healthcare industry. In other words, we are doing more than we should be doing when it comes to governing the private economy.

Meanwhile, in the public economy, we are not only failing to prioritize social spending, we are locking in multi-generational promises, making it impossible to improve social spending.

The solution to healthcare, then is a two-step solution: First free up the private-economy when it comes to healthcare, making it more open to innovation and competition. Second, free up the public economy: Start prioritizing social spending instead of locking up social spending.

The competition in the private economy will make healthcare better, faster and cheaper. The competition in the public economy will mean ever-better access to healthcare for those who need help most. The combination means even better results because as the economy gets more prosperous, fewer people need help, there is more money to provide help, the money is being better spent, and the money buys more because the quality is up and the prices are down.

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In short, the answer is NOT the right-leaning answer to healthcare (free up the private economy) and the answer is NOT the left-leaning answer to healthcare (get ever-more involved). And the answer is not really a combination, either. The answer is more specific than that. The answer is Pentanomics.

This was just one example. We can use this approach on any conceivable issue.

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CHAPTER 3: WHAT IT ALL MEANS

GREED

Confusion over greed is one of the primary reasons why we have a political divide.

Some people say greed is good because greed powers capitalism and nothing has lifted more people out of poverty than capitalism.

Some people say greed is bad because greed destroys lives, relationships, and even society itself. Some go so far as to say it is the root of all evil.

Other people say greed is a necessary evil, meaning they wish there were another way, but they admit capitalism works well.

So, which is it? Is greed good, bad, or a necessary evil?

The correct answer is “None of the above.”

The key to discovering the truth is to consider what greed is from the point of view of society—for it is a society we wish to govern.

From the point of view of society, greed is simply an unavoidable fact of life. People are going to be greedy. We cannot change that.

The question then, is “What should we do about it?”

Well, let us go through the options, starting with the most dramatic.

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Most dramatically, maybe we could outlaw greed. Let's imagine that someone invents the technology to know when someone is having greedy thought. That way, we could punish them accordingly.

Is that where we want to draw the line? Outlawing greedy thought? Clearly, no. That would be a nightmare. Nobody sane would want to live in such a society.

Well, if outlawing greedy thoughts is not the answer, the next option is to outlaw greedy acts, e.g., if someone does something out of greed, maybe we want to outlaw that act.

But that does not seem right either. For example, if a business owner lowers their prices out of a greedy desire to get more market share and ultimately make more profit, should we outlaw that?

That would not make any sense. Most people want businesses to lower prices even if they do so for greedy reasons.

But if we do not want to outlaw greedy thoughts and if we do not want to outlaw greedy acts, what should we outlaw?

Well, as we have discussed before, the proper place to draw the line has nothing to do with greed. It has to do with harm.

We want to outlaw the types of harm that people might do. And

non-greedy people can also cause harm, by the way. It happens every day.

So, the key insight here is that the private economy is NOT powered by greed. The private economy is powered by good incentives. And those good incentives act on *everyone*—greedy people and generous people.

There is one more aspect of greed we need to discuss—the fact that there are five *types* of greed. This is true for the simple reason

The private economy is not powered by greed. It is powered by good incentives.

that there are five types of action. In short, greed can be expressed via (1) private action; (2) public action; (3) political action; (4) foreign action; and (5) governing action.

Ironically, the people most vocal about how horrible greed is in one economy are often the people most driven by greed in another economy. This dynamic afflicts both the left and right. I am not picking favorites here.

Bottom line: If we are smart and good, we will work to impose the right incentives in all five economies so that everyone—generous people and greedy people—in all the roles we play are all incentivized to make the world a better place.

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Incentives work—*especially on greedy people*. Can you think of a better thing to do with greedy people?

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SOCIAL JUSTICE

Confusion over what social justice is and how best to pursue it is another one of those issues at the heart of our political divide.

Let us begin with a definition of social justice.

To create a definition we can all agree on (right, left and center), I propose we focus on the goal of social justice rather than any one approach. This strategy makes sense because most people can agree on the goal. It is only our various approaches where we disagree strongly.

Proposal for a definition of social justice: Social justice is all about helping those who need help the most.

If we use this definition of social justice, then social justice is clearly a good thing. I mean, how evil would a person need to be to be *against* helping those who need help the most? And besides, who else should we help?

Ahh, but how?

How should we help people who need help the most? That is the real question. To clarify our real-world conflict on this issue, here are five good ways to pursue social justice and two bad ways.

Before I present the list, a few comments:

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- Some of these approaches to social justice will help everyone, but I am including them because they also help those who need help the most, and that is the goal here. Not including these approaches would be to let the poor suffer more.
- Some of these approaches to social justice may help rich people more than poor people. This is ok for the same reason. Not including these approaches would be to let the poor suffer more.
- And finally, some of these ways might help poor people at the expense of rich people. Luckily, these approaches are voluntary for all involved. That makes it ethical.

FIVE GOOD WAYS TO PURSUE SOCIAL JUSTICE

Good Way #1—Equal Rights: The establishment of equal rights helps everyone, but it also helps poor people. I view the definition ‘equal rights’ very broadly, meaning I consider it to include equal rights under the law, equal dignity, equal respect, equal access to the culture, equal access to institutions, to jobs, and so on. Equal rights are a big part of social justice.

Good Way #2—Economic Freedom: Economic freedom also helps everyone. Some would argue it helps rich people more than poor people, but economic freedom certainly does help poor people. In fact, poor people are 30 times richer under a functioning private

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economy than they are without one. Economic freedom has helped raise more people out of poverty than any other system. So, yes, economic freedom is a big part of helping those who need help the most.

Good Way #3—Friends and Family: Friends and family are often the first and best help for someone in need. Friends and family cannot do everything, but friends and family know the people who need help better than anyone else. They know what kind of help they need and they often know best when to pull back.

Good Way #4—Charity: Privately-funded charity is completely voluntary, so no ethical problems here. And like a laser, privately funded charities can focus on exactly those people who need help the most. So, this is a big part of the solution, but privately-funded charity will, unavoidably, leave gaps. How do we help the people in those gaps? That is where prioritized public assistance (good way #5) comes in.

Good Way #5—Prioritized Public Assistance: The one approach with the power to help everyone who falls through the cracks is prioritized public assistance. Ethically, this also has to be voluntary, so it is very important that the society be a society in which people are free to leave if they do not want to be part of this system. If that is the case (if taxpayers are here voluntarily) then, there are no ethical issues.

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Prioritizing is important for two reasons: First, if spending is not being prioritized, then it is being wasted. Second, if it is not constantly re-prioritized, then it is not improving.

TWO BAD WAYS TO PURSUE SOCIAL JUSTICE:

Here are two bad ways to pursue social justice. I consider them “bad” because they end up hurting the people we are trying to help. I am not suggesting that people in favor of these approaches are evil, just that they are either unaware of the negative effects, or that they are in denial.

Bad Way #1—Economic Intervention: Free-market economists have long argued that any intervention in the private economy ends up hurting the people who need help the most. This argument has been ignored, denied and ridiculed by anti-free-market activists.

So, what is the truth?

Well, consider minimum wage as an example. Establishing a minimum wage makes those jobs more attractive, incentivizing better-qualified people to compete for those jobs. Now here is the question we have to ask: Does increased competition for a job help the lesser-qualified person we wanted to help? Heck no. This impact can be generalized to literally any intervention in the private

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economy except one. The one exception is taxation because the money from taxation can be used to fund other efforts—efforts that can potentially make up for the burden of taxation. This is why waste in social spending brings harm.

The proper way to help those who need help the most is to combine all five good ways listed above.

Bad Way #2—Entitlement Spending: Entitlement spending suffers from a similar problem. The intention is good, but the impact is bad. The problem with entitlement spending is that it locks in a certain amount of good and prevents a competition of ideas that would have discovered even better ideas in time. As the laws of economics reveal, the only way to maximize the good of social spending is to constantly reprioritize.

That, combined with the rest of the five good ways is the proper pursuit of social justice.

— *Your Mission: Keep learning, sharing & discussing* —

INTRODUCING PENTANOMICS

PENTANOMICS VS. X

It happens all the time. I will be having a nice conversation with someone about Pentanomics and we get to a point of conflict. Such conflict is to be expected. However, what the other person usually says goes something like this:

“This famous philosopher says X,” or,

“That famous economist says X,” or,

“Everyone knows X,” or,

“I believe strongly in X,” or simply,

“X”

And then they say something like, “And since Pentanomics conflicts with X, Pentanomics must be wrong.”

I apologize, but that is poor thinking.

This kind of logical error happens because most of political philosophy is just theories, opinions, and guesses. And when one theory, opinion, or guess conflicts with another theory, opinion, or guess, there really is no clear winner. All a person has left then is the fame of the thinker, the popularity of the argument, or the confidence they have in the argument.

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With the discovery of the Pentanomic Model of society, however, everything changes, and we need to change our habits.

You see, when a theory conflicts with logical necessity, the theory loses. The only conceivable way out for the conflicting theory is to defeat (break) the argument for logical necessity.

Here is a simple, nonpolitical example. Consider the fact, again, that $2+2=4$. Is there any doubt in your mind that that statement is true? I hope not! The fact that $2+2=4$ is a logical necessity. Logic demands that $2+2=4$. It cannot be anything other than 4.

So... what happens if a theory conflicts with that logical necessity? What happens if a theory needs $2+2$ to equal 5?

Well, in that case, the theory loses—unless those in favor of the theory can defeat the argument for logical necessity.

In the case of $2+2=4$, I do not see defeating the logic being a possibility.

And, back to politics, I also do not see the possibility of defeating the Pentanomic argument for logical necessity. To do so, one would have two options. One can either defeat the row headings of the table, or the column headings. Those are the only two options.

And if you cannot defeat the row headings or the column

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headings, and your theory conflicts with any aspect of Pentanomics, then all you have done is identify where your own beliefs are wrong.

In that case, you are one step away from an “ah ha” moment. Most people never take that one last step, of course. It is a psychological thing. A person’s political beliefs are so intertwined with their own identity that it is just too painful, I guess.

For my part, it is a bit easier because I never associated my identity with my political beliefs. I always identified as a truth-seeker... and a good truth seeker is, by definition, someone who is willing to question their own beliefs.

The key takeaway here is that the Pentanomic model is not just another theory. It is a logical necessity. If you can break that argument, great. If not, logic demands that Pentanomics wins any conflict with theory X.

— *Your Mission: Keep learning, sharing & discussing* —

CHAPTER 4

THE MOVEMENT

So, we have a new worldview based on logical necessity. We have learned how to apply it intellectually. And we know that to make it happen we need to learn it, share it, and discuss it.

But how do we do that?

How do we turn this discovery into a movement?

It starts by figuring out what the minimum bar for success is. Just how trained do people need to be? And how many people do we need?

Answering those questions will help us formulate a plan. We will discuss our plan in this chapter and close with an argument for why victory in the war of ideas for Pentanomics is inevitable.

If all you wanted to achieve in reading this book was learning the philosophy, you have done that. You need read no further. This chapter is for people who are interested in playing an active role—big or small—in helping make the world a better place.

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THE MINIMUM BAR FOR SUCCESS

To fully implement the Pentanomic vision of society, what must happen?

What would “victory” look like?

Must we train hundreds of millions of people in this country and billions of people worldwide? Do they need to understand the Pentanomic Model with the precision of a trained philosopher?

I hope not!

Because, if that is the minimum bar for success, then success surely seems impossible. We would be asking too much of people. People are busy. They have their next Netflix series to binge!

Luckily, we have abundant evidence to help us understand exactly what the bar for success is and it turns out that the bar is not that high.

You see, two of the five economies have been quite well-structured in developed nations for centuries: the private economy (capitalism) and the political economy (representative democracy). And we also have examples from history of societies both achieving success, and later collapsing.

In short, thanks to history, we know precisely what the bar is.

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The minimum bar for success is to have a healthy majority of people believe in Pentanomics, even if they do not fully understand Pentanomics.

With less support than that, the country does not have the power to make the transition or to sustain the transition. More support—and more informed support—is even better, but that level of support is not needed. Heck, is there any capitalist country on earth with a healthy majority of people who actually understand capitalism? I do not believe so.

So, again, the bar for success is clear—we need a healthy majority of people who believe even if they do not understand.

What percentage of support counts as a ‘healthy’ majority? That is unknowable. I use the term ‘healthy’ precisely because it is not precise. ‘Healthy’ in this case simply means ‘healthy enough to fend off opposing views.’

The main point is that the bar is not widespread understanding or mastery... the bar is widespread support (belief).

This raises an important ethical question. Is it ethical to seek support from people who believe without understanding?

Well, there really is no alternative. For example, let us say your

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goal is to truly educate everyone perfectly. Great! That is a wonderful goal. But here is the thing: before you reach your goal, you will obtain a healthy majority of people who believe without fully understanding, and that is enough to flip the society into alignment with the new belief.

So, while the mission of the Pentanomic Revolution is to educate all people completely, the minimum bar for success is lower.

All a society needs to “go pentanomic” is a healthy majority of people who believe in the Pentanomic Model, even if they do not fully understand it.

And here is some good news: we are closer than you might think.

First, I would argue that all reasonable people already agree that private action, public action, political action, foreign action, and governing action exist. Second, very few people are against the idea of minimizing harm. Third, most people are already in agreement on the need to police private action, check and balance political action, defend our country from harmful foreign action, and educate people to ensure good governing action.

The primary areas where we need improvement are (1) learning that prioritized social spending will help people better than entitlement spending; (2) accepting the hard truth that economic

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intervention hurts the people we are trying to help; and (3) finding the political will to live within sustainable limits.

So, how do we get there? How do we make progress?

Well, that is what we will explore next.

— *Your Mission: Keep learning, sharing & discussing* —

INTRODUCING PENTANOMICS

OUR PLAN

So, how do we take this discovery/intellectual breakthrough / new worldview and transform it into a bona fide movement, one that grows and grows until the Pentanomic Model is the dominant worldview on the planet?

Here is our five-phase plan:

Phase 1: Recruit and Train Founding Members

Phase 2: Growth

Phase 3: The National Stage

Phase 4: Victory in the War of Ideas

Phase 5: Pentanomic Generation #1

Each phase gets us to the next phase.

Currently, as I write this, we are in phase 1, the founding-members phase. The goal of phase 1 is to keep training founding members until we are ready for phase 2. We will be ready when we have people from all points of view, all races, all religions, and all age groups ready to represent their group and help bring Pentanomics into that group.

For example, we need a libertarian to reach out to libertarians.

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We need a socialist to reach out to the socialists, and so on. People want to hear from their own group members, from their own kind, from people they trust. And since we want to reach out to all groups, we need fully-trained ambassadors for every group, probably more than one so we have a deep bench.

When we have a bumper crop of Ambassadors ready to go, then we are ready for phase 2.

Phase 2 is the growth phase. In phase 2, we start doing PR (public relations). We reach out to newspapers, magazines, TV programs, radio programs, podcasts, bloggers, and more. We get speaking gigs anywhere and everywhere. We go to conventions, high-end networking functions and more. We make our presence known.

But the key to a successful phase 2 is a successful phase 1—our Ambassadors—for it is our Ambassadors we want to promote in phase 2.

It is our Ambassadors who demonstrate—through their telling of their own journeys—the true potential for coming together.

Few things in politics are more authentic than real-life amateurs telling their own stories of where they came from, what they used to believe, what they believe now, and how they have retained their

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goals and their identity, yet also have grown together as a group.

In short, phase 2 is all about the Ambassadors. It will not be me going on all those programs. It will be the ambassadors. If I am doing it, that is like cheating. To demonstrate our authentic potential for coming together, it has to be the ambassadors.

Phase 3—getting on the national stage—happens because we get surprised.

You see, as we continue to do all the PR in phase 2, at some point, something surprising will happen. We cannot predict what... or why... or when... But if we keep showing up, something will surprise us that thrusts us on to the national stage.

Maybe Taylor Swift will tweet about how much she loves us, or maybe Rihanna will tweet about how much she hates us. Who knows? All we know is that such a surprise is a possibility and once we are on the national stage, we are in phase 3.

The goal of phase 3, then, is to stay on the national stage. The key is to be ready for the spotlight so we can earn our place on the national stage long term. The good news is that PR tends to feed on itself.

If we get on the national stage and stay on the national stage, we

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can expect the logical-necessity and the transcendent message of this worldview to eventually achieve victory in the war of ideas, which is phase 4.

Victory in the war of ideas, again, is defined as having a healthy majority of people believe in the Pentanomic Model.

Phase 5 is the “Pentanomic generation #1” phase—the phase where a generation of children grow up learning that the world is Pentanomic—always has been, always will be.

Phase 5 is my favorite phase. I may not live long enough to see it, but that is the phase I am really hoping to see.

This is the phase when the pentanomic worldview truly becomes the dominant world view worldwide.

Pentanomic generation #1 will be the first to grow up with the Pentanomic Table on the wall of their school classroom and they will laugh at the idea that there were adults who believed all the things we believe today.

— *Your Mission: Keep learning, sharing & discussing* —

INTRODUCING PENTANOMICS

HOW YOU CAN HELP

Here are nine ways you can help. If you can think of more, let us know!

1. Learn, Share & Discuss
2. Give a Video Testimonial
3. Start or Run a Local Chapter
4. Be an Ambassador
5. Be a Project Manager
6. Be a Project Helper
7. Join the Leadership Team
8. Be an Advisor
9. Donate

LEARN, SHARE & DISCUSS

Learning, sharing, and discussing are the foundation of this movement. Not only is it the easiest thing to do on this list, it is the most important. This is, unavoidably, an attempt at enlightenment for the masses. And so, there is no substitute for learning, sharing and discussing.

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GIVE A VIDEO TESTIMONIAL

Logic is a great tool to discover the truth, but logic is a lousy way to inspire people. Testimonials inspire people, especially when they see testimonials from different points of view, different occupations, different educational backgrounds, and so on.

To give a testimonial, just record a little selfie video on your phone, and email it to contact@Pentanomics.org

START OR RUN A LOCAL CHAPTER

Local chapters are a fun way to learn, share and discuss.

But also, I would like to see local chapters do charitable works in their communities for three reasons: 1) it helps people; 2) charitable work is something that the political right, left and center can all agree on; and 3) charitable work is a great way for people in the movement to bond.

We are looking to start local chapters all over the world. If you are interested, reach out!

BE AN AMBASSADOR

As mentioned earlier in this chapter, we are recruiting and training people who will become our ambassadors to different groups —

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ideological groups, age groups, religious groups, racial divides, and so on. Be an ambassador to your group wherever you come from. It helps if you are a natural speaker, and if you want to be on TV, the radio, on podcasts, etc.

BE A PROJECT MANAGER OR PROJECT HELPER

We have an infinite need for project managers and helpers, and we have projects of all sizes and types. If you are interested, drop us a line at contact@Pentanomics.org

JOIN OUR LEADERSHIP TEAM OR ADVISORY TEAM

Currently our leadership team and advisory team are composed of volunteers. One of the goals is to create enough maturity in the organization so that we can make these paid positions. If you have the experience we need to break through, reach out!

DONATE

The Pentanomic Revolution is a project of the Pentanomic Institute, and the Pentanomic Institute is a 501(c)3 nonprofit public charity. That means all donations are tax-deductible as per IRS rules.

We welcome all donations, big and small. They all add up. In fact, there are IRS rules that require us to get a certain percentage of

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small donations in order to qualify as an ongoing public charity. Also, the big donors love to see small donors. So truly, every donation counts.

— *Your Mission: Keep learning, sharing & discussing* —

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HOW TO SHARE

In one sense, sharing is easy.

Just share the website address, *Pentanomics.org*, and talk about your personal experience, why you think it is important, or why you think the other person might like it.

However, there are best practices to avoid conflict. This is politics, after all. Emotions are high. Opinions are strong. Some people might try to get you into an argument. Here are the best practices we have come up with.

1. Do Not Recruit, Invite
2. Accept it When People Decline
3. Let Them Have the Last Word
4. Post FAQs and Ask for Feedback
5. Avoid Strangers Online
6. Follow Up Personally
7. Share Feedback with Us

DO NOT RECRUIT, INVITE

If you go in with the mindset of recruiting people, then you are chasing them, and if people feel chased, they run away.

The future lasts a long time. You will have more opportunities to

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bring up Pentanomics.org. So, do not feel the pressure to sell people in your first discussion. It is way more powerful to simply mention the website and let them know you are a part of it and that they are invited.

ACCEPT IT WHEN PEOPLE DECLINE

This is a more specific example of the earlier point. It is worth stressing because it is the most important thing to get right. Your moto should be “we take no for an answer.” If they decline the invite, no problem. Change the subject to let them know you heard them and respect them. Say “How about bowling next Tuesday?” or whatever. A month later, when politics comes up again, then it is ok to bring it up again.

LET PEOPLE HAVE THE LAST WORD

The easiest way to avoid an argument is simply to let them have the last word. Think of it as a tactical retreat. This is an example of losing the battle so that we can win the war. Another way to think about it is that arguments almost never convince people. So best to let them have the last word and move on.

POST FAQs AND GET FEEDBACK

In the Pentanomics.org member’s area, you will find a list of FAQs

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(frequently asked questions). So, the next time a political discussion on social media happens, copy and paste the relevant FAQ, edit it to fit, and ask for feedback.

AVOID STRANGERS ONLINE

I would recommend avoiding forums where strangers interact. Those forums are often populated with know-it-all extremists who have nothing else going on in their lives. Nothing will satisfy those people. Best to keep political discussions among friends and family.

FOLLOW UP PERSONALLY

Rather than engage in a public back-and-forth, just take note of who responds positively. Then reach out to that one person *privately*. People are much more open to new ideas in private than they are in public. So, after you make your one contribution to the discussion, sit back and see how people respond.

SHARE FEEDBACK WITH US

Feedback from all sources helps us to be better thinkers and to be better teachers. So, whatever feedback you do get, share it with us so that we can improve the quality of our FAQs and other content on the website. You can either post it in the contact form in the members area, or just send it to contact@Pentanomics.org.

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So, those are some ideas for how best to share. As always, we are open to your ideas. Let us know!

— *Your Mission: Keep learning, sharing & discussing* —

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WHY VICTORY IS INEVITABLE

It is a bit cliché for political movements to claim inevitability, and usually it is just a claim—just marketing.

But in this case, inevitability is real because social evolution is always at work, forcing us into alignment with the universal laws that govern society—the universal laws we do not have a choice about.

And what are those laws?

Well, now we know. The universal laws that govern society are the laws of economics and how they apply to all aspects of society.

Or, in a word, *Pentanomics*.

Thus, over time, social evolution, ever so gently, but consistently, persistently, forces us into alignment with the Pentanomic Model.

We have no choice about it. The pentanomic model governs all societies; always has and always will.

This is a process that has played out since humans became human approximately 200,000 years ago. That is how long the Pentanomic Model has been driving social evolution.

We can even see the Pentanomic Model's influence in biological evolution prior to the birth of humans—in the social organization of

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everything from ants and bees to chimpanzees.

The good news is that we can now say with confidence that social evolution is near its end. We see most of the economies properly structured already. The discovery of Pentanomics itself completes the puzzle. Now that the puzzle has been put together, it is just a matter of time.

The one thing we cannot predict is the timing. But at least we know we are on the right path.

Victory in the war of ideas, therefore, truly is inevitable.

And luckily, there has never been a better time for an intellectual revolution. Thanks to the viral nature of the internet, social media, and videos, it could happen next month, if someone produces the right video.

So, you are in the right place. As a member of the Pentanomic Revolution, you are on the right side of history. The only question now is what role you want to play.

You are invited to play any role that excites you.

— *Your Mission: Keep learning, sharing & discussing* —

CONCLUSION

You have made it to the conclusion!

Congratulations. You are now a graduate of the Pentanomic Institute's School of Political Philosophy.

Unless, of course, you are one of those people who likes to skip to the conclusion without reading the entire book. But you would not do that... would you?

Well, if you are one of *those* people, I understand and forgive you. Still, I encourage you to go back and finish reading any section you skipped so that you can come back here and accept my congratulations with full ethical integrity.

As a graduate, you now know more about how the world works, how the world can work, and how we can make it better, than anyone who has not learned the pentanomic political philosophy.

That means you are ready to lead.

You are ready to change the world.

In fact, you already have helped change the world because just by

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learning this content, you are helping to fix the incentives for politicians.

As I have said before, the work of one person may only be a drop in the bucket, but that is how we fill the bucket.

It is true, we still have a lot of work to do—more learning, more sharing, more discussing.

But, for the moment, that can wait. Right now, I would like to celebrate your graduation by offering you a graduation present.

So, if you truly have graduated—if you have read this entire book (this is on the honor system), please send me an email (Rick@Pentanomics.org) and just say something like, “Hi Rick. I have read your book entirely. I have graduated.”

I will reply and reveal your graduation present to you.

With that, it is time for my final farewell.

Your change-the-world mission is now clear: Learn, share, and discuss. This is my mission, too. This is how we give politicians the right incentives, and therefore, this is how we change the world.

Go now and do likewise.

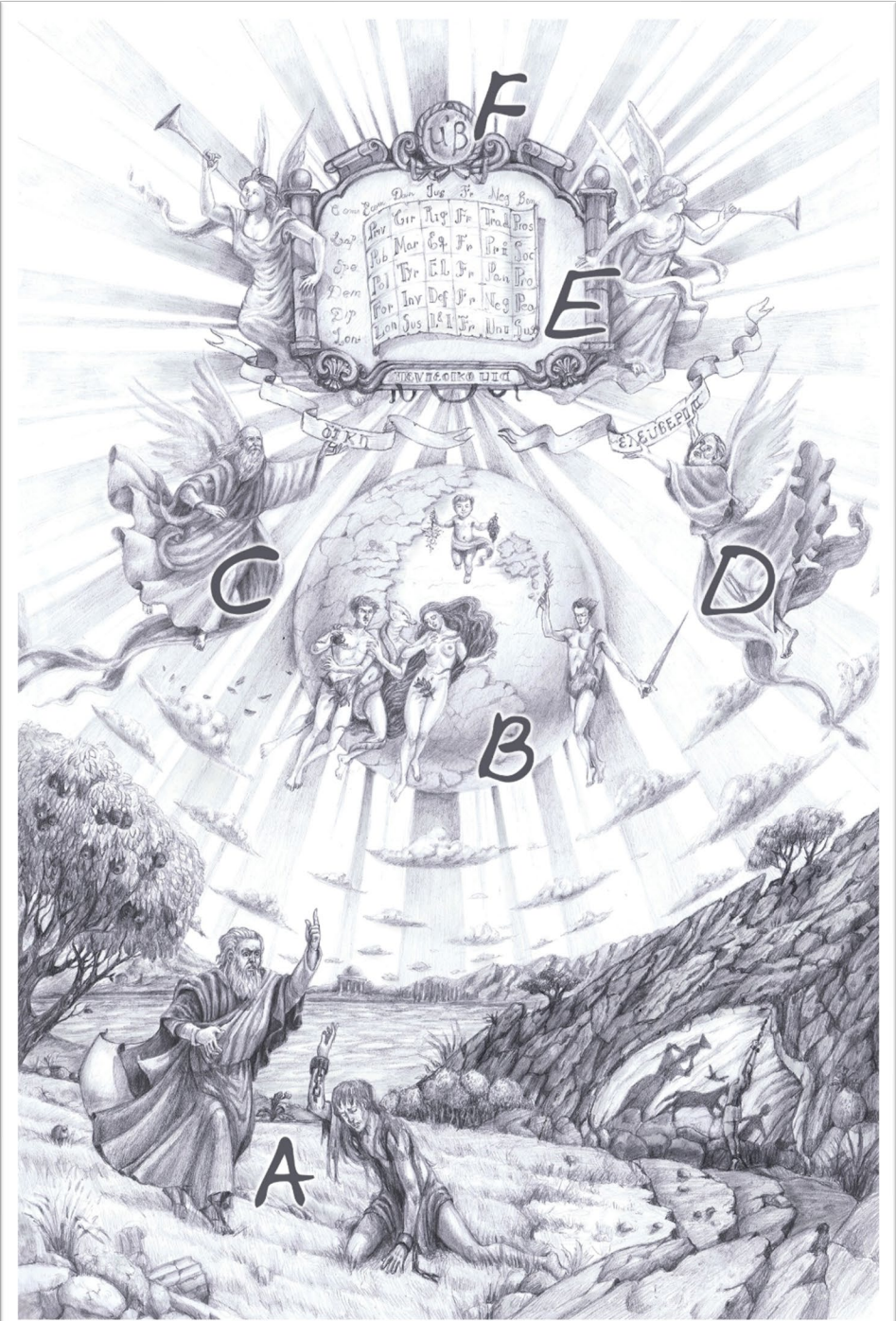
— *Your Mission: Keep learning, sharing & discussing* —

APPENDIX

ABOUT THE FRONTISPIECE

Contents of this appendix begin on the next page.

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APPENDIX

(A) PLATO'S ALLEGORY OF THE CAVE: Prisoners have lived their whole life in a cave. All they know of life is the shadows they see on the wall. They believe the shadows are what is real. One prisoner escapes, discovers truth about the world. He returns, frees another prisoner, and tries to explain the truth. However, the prisoner refuses to see.

(B) THE GENESIS EXPERIMENT: Adam, Eve and the Snake represent a society, complete with private, public, and political action. Cain is on his own, representing foreign action. The baby represents the future. The yin-yang Earth represents the logically necessary duality of life and death, good and bad.

(C & D) PLATO VS ARISTOTLE: Plato and Aristotle, here, represent the two sides of the political spectrum. Plato represents the quest for justice as he imagined the ideal being a philosopher-king with the power to impose justice. Aristotle represents the quest for freedom because he proposed an early form of individual rights. Justice and freedom remained at odds with each other until the discovery of Pentanomics.

(E) THE PENTANOMIC TABLE: The Pentanomic Table represents the true structure of human society and the union of justice and freedom.

(F) CREST: $\mu'B'$ is ancient Greek for the number 42. This represents the essential role that everyday citizens play just going about their lives in the context of social evolution. It is a reference to fiction author, Douglas Adams, who made the number 42 famous as the answer to "life, the universe and everything" in his book, *The Hitchhiker's Guide to the Galaxy*. The pentanomic table just happens to have six rows and seven columns, including the headings—42 cells in total.

