

# CWC

Economic Systems Group meeting

New direction ideas discussion

June 12, 2024

# Lead off framing for open discussion – hypothesis? Assumptions? Challenging questions?

- A major success of the mountain accord was getting so many diverse groups to comminate, collaborate and compromise to make complicated decisions about the future of the tri-canyons (I have since learned my initial assumption on this may not be how things really transpired)
- Since then, population, economic growth, political polarization, and pressures on the environment have all accelerated which can encourage reductionist thinking to solving pressing problems with the sometimes opposing mindsets of traditionalism versus progressivism
- Bipolar trap of preserving natural environment with a goal of year over year economic growth
- Ways to challenge our problem solving capacities given the problems we currently face?
  - Does the prevailing way we define economics enable us to make viable decisions for the ecosystems of the canyons which we unanimously desire to preserve?
  - Can we expand how we define the economy as it relates to the canyon and reconsider new mindsets that help guide is to faster decisions with clearer sensemaking?
- Globally, the desire to accumulate wealth and the need to lift people out of poverty are pushing on earth capacities. This is creating massive amounts of reimagination at a global scale.

# My goals and motivation for my Big Idea

- Better sensemaking for better decision making. Develop the capacity for coordination by focusing upstream of our most pressing problems
- Research how the smartest are addressing global generator functions of existential risk
  - Defining the real underlying problems from a systems perspective for improved sensemaking
  - Addressing improved decision making and critical mindset shifts
  - Putting long term and transitional plans in motion
- Correlation between rights and responsibility – if neither of these exists it prevents a fair and just society.
  - If I have rights but don't have responsibilities, there ends up being tyranny and entitlement.
    - Individual versus a citizen / Local versus global
  - If I have responsibilities but no rights, there is servitude (the state of being a completely subject to someone more powerful)
    - Seek to educate and enlighten

# Where can a fresh perspective on economics add value to the Economic Systems Committee, and the broader CWC?

Some challenges and conflicts I see preventing the CWC meeting from meeting the goals of the Mountain Accord

- A. The polarizing nature of preserving the environment (generally long term and hard to measure) and growing the economy (short term in nature and easily put on a ledger sheet in dollars)
- B. Many people and entities addressing the same identified problems, but having different definition of terms and concepts.
  - Consider the Stakeholder letter to the Commissioners where the persuasion for the NCRA used terms like
    - ❑ Growth / Mountain preservation / economic benefits /improved experiences
  - Other important terms and prevailing mindsets
    - ❑ The economy and economics / Progress / Metrics of success / consumer versus citizen / GDP /self interest versus socially reciprocating
- C. The omissions of two key metrics on every ledger sheet that cloud sensemaking and better coordination of multiple parties
  - Simplification of the complex value of environment before it is exploited for financial gain in the private sector
  - Negative business externalities: The unintended costs to society (like air pollution) that are ignored by the business creating them who is privatizing profit in the process, so that these costs and be paid later by the public.
- D. The radical speed of change in technology that enables polarization and manipulation, and the advent of deep fakes with AI

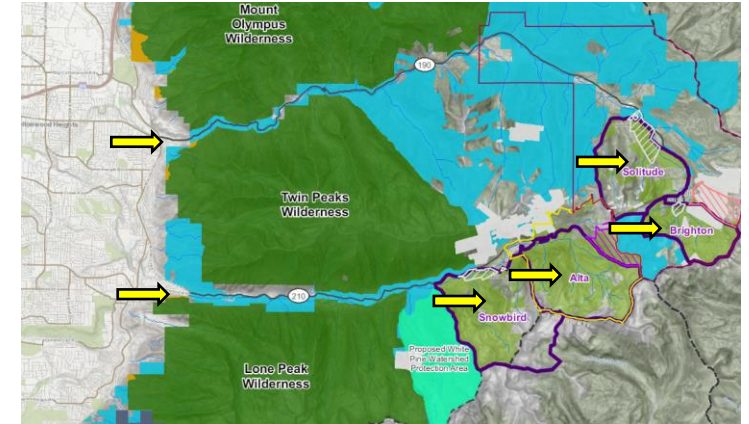
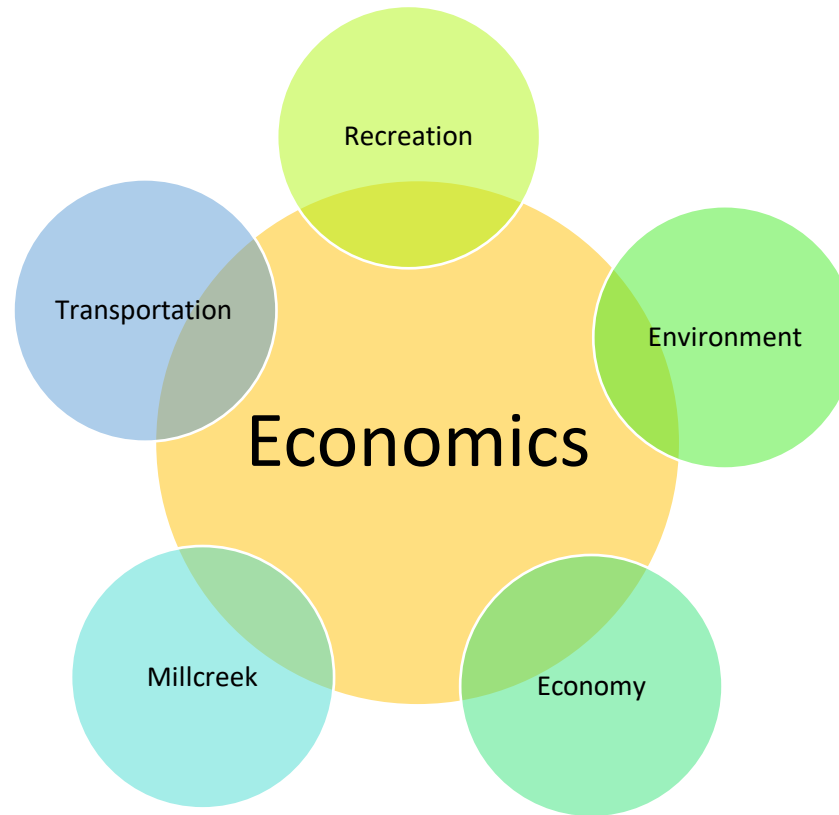
Leading towards the need to build consensus on the terms we use, with a focus on the underlying systems at play, to agree on the nature of the problems which we are trying to solve with better decision making

- “A problem fully understood is only half solved” ~Charles Kettering, head of research for GM from 1920-1947
- “Given one hour to save the world, I would spend 55 minutes defining the problem and 5 minutes finding the solution.”  
~Albert Einstein

A. The polarizing nature of preserving the environment (generally long term and hard to measure) and growing the economy (short term in nature and easily put on a ledger sheet in dollars)

The intersections of the Economy with everything we Consider in the canyons demands that we better understand the true nature and design of our Economic system.

While thinking about the uniqueness of the systems committees currently defined by CWC Stakeholders', consider the role of economics to be a potential commonality to help navigate their interconnectedness



Central Park, New York City

*Similarities – agreement on some value of the unexploited land*  
*Differences – physical access, and privatization to exploit for profits*

# Ski Resort Industry

This is the biggest influence to the story we write for the canyon and a polarizing source of the friction between competing goals for what we want to preserve and protect, and goals for further expansion of the economy.

# The stories behind the story

- The new 'investable' ski resort business model
- How Economics value of land in the canyon, a comparison of skiing at a resort versus skiing in the backcountry.
  - Same sport/activity
  - Same dependance on nature for terrain
  - Same dependence on nature for winter and snow

B. Many people and entities addressing the same agreed to problems, but having different definition of terms and concepts used to understand those problems.

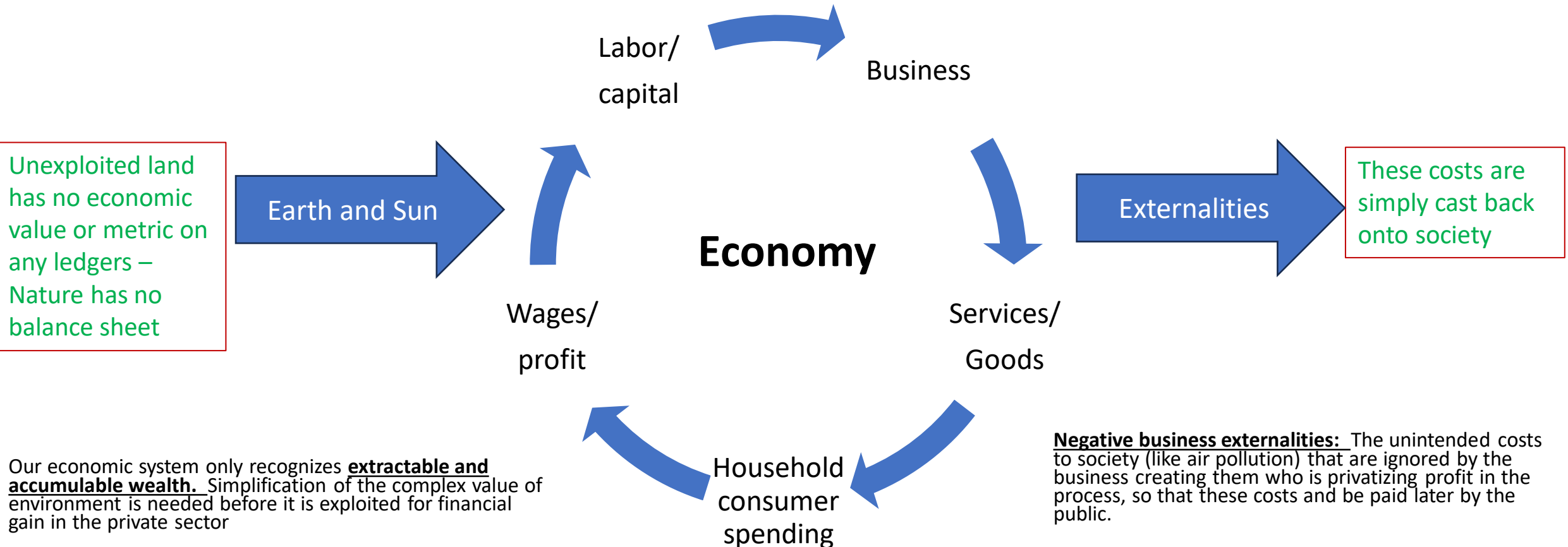
This leaves us arguing over a decision point while having completely different goals and outcomes (lack of sensemaking and coordination)

- Define what is in the economic equation and what is left out
- Growth definitions within the legacy mindset of GDP
  - If market size is a measure of civilization progress, than you have to consider that GDP goes up with war, with addiction, with diseases that are treated with for profit health care
- The idea of immature or naïve progress versus real progress with a focus on how we define advancement
- Jevon's Paradox – occurs when technological progress increase the efficiency with which a resource is used, but the falling cost of use induces increases in demand enough that resource used is increased, rather than reduced
  - Energy example: Energy conservation efforts are futile because more efficient forms of energy result in cheaper, and thus more use of energy
  - Canyon used example: Gondola to reduce traffic, creates an additional corridor up the canyon that increases demand for people to go up the canyon
- Muti polar traps and the new ski industry business model
- “A problem fully understood is only half solved” ~Charles Kettering, head of research for GM from 1920-1947
  - How do we solve problems that are not fully understood



C. The omissions of two key metrics on every ledger sheet the cloud sensemaking and better coordination for decision making; that being...

The wealth we hold in common and the real cost of business is missing from the current mindset on economic growth



# Externalities tipping points showing up as lawsuits

- Dow – Teflon
- Big Tobacco – cigarettes and lung cancer
- Big Pharma (Purdue) – Opioids and addiction
- Big Oil – being sued by some counties for cost for damages from storms created by global warming
- PFAS – phosphorus – Litigation from harmful health effects and environmental effects
- Social Media – Gov. Cox lawsuit for cost to treat teen mental problems

Where our economic model worked so well to bring prosperity to so many, what happens when you combine things like;

- More population growth (organic, migration or transient for tourism)
- 1<sup>st</sup> world countries having so much wealth where they can already literally meet the basic needs of everyone
- The exponential factor of technology

What now have growing trends of inequality and beginning to surpass various planetary boundaries.

***It's no wonder there is more global consideration around the cost of negative business externalities.***

D. The radical speed of change in technology, combined with economics based on perverse incentives, drives polarization and manipulation, and denies transparent or open information sharing

- The perverse incentives of our economic system, and the game theory of win/lose, make it advantageous for parties to both withhold information and to actively create and promote disinformation.
- Information serves as a competitive advantage
- Intellectual property is kept to avoid it from being useful to others
- Government officials and judicial systems mediated by people who are themselves economic actors in the system they are ruling on.

*“The kinds of AIs that optimize your news feed are higher power AIs than the AIs that beat Kasparov at chess. Kasparov is far better at chess than you are at controlling your attention, and he also knew he was playing a game.”* ~Daniel Schmachtenberger

The exponential curve of technology advancements is decreasing our ability for sensemaking and effective collaboration.

# CWC Stakeholders Advisory Council

## *Economics Systems Committee*

“I find hope being aware that my job is not the change people’s minds, but rather change the conditions in which people can change their own minds. Measuring the latter has much more ambiguity and therefore gives me no easy out to think I am not making a difference and to then lose hope.” ~Kate

Raworth *Economist who is pioneering a new economic model aimed at achieving sustainable development within planetary boundaries.*

