

# The Great Simplification

---

Nate Hagens:

Greetings. Today's episode is with my friend, Ashley Hodgson. Ashley is an Associate Professor of Economics and runs the Economics department at St. Olaf's University in Northfield, Minnesota, which is very close to where I live. She teaches behavioral economics. Ashley's YouTube channel is called The New Enlightenment where she explores topics on economics, governance, and the epistemic of a world of social media and increasing concentration of power.

In this episode, Ashley and I discuss our systemic predicament from a perspective rooted in behavioral economics. For those of you who watched last week's episode with Steve Keen you might understand that I don't have a lot of practicing economic professors in my circle of friends, but Ashley is one of them. I love her curiosity, her teaching ethic, and similar to me she has a compulsion to share these ideas with the public. Please welcome Ashley Hodgson.

Nate Hagens:

Professor Hodgson, good to see you.

Ashley Hodgson:

Good to see you.

Nate Hagens:

I'm waving to you 25 miles across the river.

Ashley Hodgson:

Do you ever do these in person?

Nate Hagens:

I have never done one in person, though you and I could have because you are by far the closest guest that I've had. You teach in Northfield, Minnesota, which is a less than a half hour drive from me. I don't have the equipment to do it. This office that I'm sitting in is really like six foot by seven foot. It's really small. I don't think that you could fit in here, but over time, maybe. I think I don't ever expect this podcast to be super popular because it's speaking too much truth to power and it's not necessarily a

# The Great Simplification

---

feel good thing, but I do think there is an energy and a humanity of two people being in the same space that's different than doing it remotely like this. So who knows?

Ashley Hodgson:

Yeah. No, I think of your podcast as being comforting, actually, because if people are aware of this kind of thing, I think you have an attitude and a perspective that actually makes it seem more hopeful and manageable.

Nate Hagens:

Well, thank you for that. And the podcast theme and purpose is to send a bat signal to people like you that feel that way. I just meant it's never going to be uber popular because it's complex, it's threatening, there are no easy answers, and I'm not trying to gloss over and wave away the problems. I'm trying to look at them head on and integrate them. So welcome, finally, after three delays. Not only are you the closest person to me but you've also been the most delayed podcast because of my schedule and farm emergencies, et cetera. So finally we're here.

You are a professor of economics at St. Olaf's University. You have a YouTube channel, two YouTube channels. One where you do lectures on behavioral economics and the other is something called the New Enlightenment. I think, at the end of the day, there's energy, there's ecology, there's climate and environmental issues, but it's our behavior that is going to dictate what is possible and what pathways are open to us. So can you give us a broad overview of how you think behavioral economics can apply to our cultural transition, which I label the Great Simplification?

Ashley Hodgson:

Behavioral economics is basically building the insights of psychology into economic models. And I think what needs to happen is there needs to be a rejiggering of the nervous system of the Superorganism. There's the three layers of economics, governance, and knowledge systems, and the incentive structures and the way resources flow, the way information flows across the body of the Superorganism, that's what needs to be rejiggered.

And in some ways it's built on top of human beings, like the human soul, human groups with all of their quirks and all of their biases and all of their ways of interacting with the world that are not necessarily... that are not always helpful or rational at an individual level and I think sometimes can get more unhelpful and more

# The Great Simplification

---

irrational as you move up the layers of the system. So behavioral economics is really, okay, if we're going to design a system for real human beings, how do we take that into account?

Nate Hagens:

And does behavioral economics look at individual behavior or human aggregate behavior as a nation or as a global society?

Ashley Hodgson:

I see it as both. I think many behavioral economists would say it looks at individual behavior because it's mapping individual quirks and individual irrationalities. I use that in air quotes. Because it's mapping that into models, I think models can map how humans work together in different roles and different systems, and this interaction between, I don't even want to say groups, I want to say systems and individuals. And so I think it's trying to be a bridge between those.

Nate Hagens:

Is behavioral economics... I know when I was getting my PhD, started it almost 20 years ago, people were looking at David Laibson and Kahneman and others. Is it becoming more accepted within the field of economics or is it still out there as a crossover with psychology?

Ashley Hodgson:

I think it's more accepted. Sometimes it's a little bit hard to tell, what is the ethos of the whole field of economics? Given that most people I interact with are into behavioral economics, or at least accept it and see its value. But I think it's a little more accepted. You'll see it in introductory textbooks.

Nate Hagens:

And is game theory? Would that be under the umbrella of behavioral economics?

Ashley Hodgson:

Game theory... is in some ways, if you think of game theory as having payoffs, how do you come up with what are those payoffs? And behavioral economics basically helps you build in these human biases into those payoffs. So in some ways I don't view game

# The Great Simplification

---

theory as being under behavioral economics, I view behavioral economics as feeding into game theory models.

Nate Hagens:

I know, since we've talked several times, that you follow this podcast and that you actually have a video coming out, which I think will be out by the time this one airs, on the Superorganism, that you've shared a draft with me. So given the Superorganism framing and The Great Simplification framing, can you give us an example of how game theory could apply to the situation that I've described on this podcast? How could it be useful or a frame that might be informative?

Ashley Hodgson:

Yeah. I think one of the dilemmas-

Nate Hagens:

Not to put you on the spot.

Ashley Hodgson:

No, no, this is good. This is exactly the stuff I'm thinking about all the time. I love the Superorganism analogy. I think it's going to be central. And I think if we think about your podcast-

Nate Hagens:

Why is that? Why is that?

Ashley Hodgson:

Because I think it's really hard to move into a new system, and you need analogies that build on peoples' brains what I call the mental infrastructure, like the common understanding of how things work. You need ideas and things people are familiar with. And the Superorganism is sort of this... it's like going from a single-cell to a multi-celled organism. We're going from individualistic society to a system that makes human beings work together.

And we certainly have a human Superorganism now that is not functioning well, and many people are experiencing the downside of this, but to move into something different, that's not going to happen naturally. It's going to require really good analogies and really good ways for people to understand what they're moving into.

# The Great Simplification

---

And I just think this one, it's sort of like, yeah, the body system, it has these incentive structures and these informational structures that make the body work and that heal it when it gets wounded, and that aggregate information across the body to prioritize pain and all of that. And I just think this analogy, I just think we're going to need it.

But you asked about, how does game theory relate to your podcast? And I do think a lot of people who listen to your podcast probably have this problem that they recognize what's wrong with the world, with the system. They recognize its complexity and yet they're also embedded in a system where their job and their material wellbeing and their relationships and everything that's of value to them is embedded in this system. And so at that point you have this dilemma, which is, on one hand I don't want to contribute to this problem that I see destroying everything. But if you try to be like, "Okay, what can I do that would make me not contribute to this?"

You've got the drop in the bucket problem, which is part of game theory where your individual efforts cannot change the system. And it's not even like you can say, "Well, if we could somehow force everybody to do this, that would fix it," because you actually need totally different incentive structures. And in the current set of structures, there's no way individual humans can make that left-hand turn.

So how do you deal with that problem as an individual? How do you not contribute but also not give up the things that make life meaningful and valuable to you? And the solution to that, I think, is going to have to be a collective action solution of some sort, which is the game theory solution. It's sort of like, "Okay, this is a multiplayer prisoner's dilemma."

Nate Hagens:

Well, I agree. And if everyone cooperates by consuming less and respecting nature, the whole system would be better off. But if everyone's not going to cooperate, everyone defects and keeps consuming, and Netflix and chill, and ordering those brown boxes from Amazon, and still worried about the future but compelled to stay in the present sort of thing.

Ashley Hodgson:

Yeah. Well, but the worry about the future, it sucks people's energy away. It's like you may need to contribute in a way that brings your human energy and your emotions and your spiritual wellbeing into the equation. And if that energy, that spiritual wellbeing is degraded through looking at the problem in the face, looking at reality

# The Great Simplification

---

and being worn down by your helplessness in the face of that, it's a hard problem to solve individually.

Nate Hagens:

Here's a quote that I saw yesterday that I might have to do a Frankly about, and it speaks to what you just said. It's from Rilke: "The future enters into us in order to transform itself in us long before it happens." And I do think that is a risk for those of us who are working on these scary, complex futures that don't have a direct pathway. That we imagine all this stuff and it changes what we're doing and how we're thinking and how we're living today. I digress from your point.

Ashley Hodgson:

No, I feel like that's exactly the point I was trying to make, is I think in some ways the right response to this dilemma is to look ahead and to think, what are the skills and what's the infrastructure that I could be building now that could be part of that collective action mechanism that switches us from one system that's serving nobody well to a different system? And how do you do that when nobody can actually see what the new system would look like? It doesn't exist in its current form. It's probably fragmented ideas here and there that will need to be patchworked together to create something eventually.

But I kind of view the two parts of this collective action mechanism that could get us there. One of them I think will be digital, like algorithms of some sort. And the other part that has to be matched with that is going to be more creative, more relational and community-oriented and trust-oriented. And right now those two sides are not coming together yet. They're in separate spheres. And developing in yourself the skills in at least the sphere of trust and relationships and community. And then if you have the skills to develop the infrastructure that's digital that could compliment that, it's sort of like a lot of this infrastructure cannot happen automatically. It can't happen quickly. So when the right moment comes for that switch to happen, are there enough people? Which doesn't need to be everybody, but enough people who have those skills.

Nate Hagens:

So is that what you broadly call the New Enlightenment?

Ashley Hodgson:

Yeah, that's pretty much the New Enlightenment.

# The Great Simplification

---

Nate Hagens:

Okay, could you unpack that? Why did you call your YouTube channel that? And how does the New Enlightenment compared to the Old Enlightenment? Maybe you could briefly cover both of those. What was good about the Old Enlightenment? What were they thinking about at the time? And then how do you envision a New Enlightenment?

Ashley Hodgson:

Yeah, the Old Enlightenment, I view it as this paradigm shift in all three of these realms, the economic, the governance, and the knowledge systems. And I think the purpose for those thinkers back then was, how do you get out from under the thumb of tyranny? And they were thinking really carefully about different types of tyranny, like tyranny of the majority, tyranny of the leader, tyranny of all these kinds of things. And they were developing ideas and concepts and processes that included things like the idea of human rights and due process and checks and balances on power. In the knowledge realm they had the scientific method, which helped them get out from under some of the knowledge-based forms of oppression that at that point came through the church.

And the problem is systems depreciate. And so even if you set up a system that's intentionally designed to get around some of these forces of tyranny, eventually there's going to be some form of power to the powerful that gets ahead of the system's ability to fix that. And I think that's where we are now.

Nate Hagens:

From a biophysical standpoint I could understand why systems depreciate, but you're talking about it maybe from a different lens. Why do systems depreciate?

Ashley Hodgson:

Yeah. Well, I think the biggest one here is going to be this power to the powerful notion where, if you have a system where, when you get a little more power, you can use that power to gain advantage and get more power, you get resources and other scarce things, attention is a scarce resource, sucked more and more toward a smaller and smaller few. Unless you have mechanisms to stop that, recognize when one group is getting too powerful and sucking up resources. And I think part of the problem here is it's not just resources, it's not just status that's getting sucked up through what Peter Turchin calls the money pump. But it's like the ability to write the rules of the game so

# The Great Simplification

---

that the economics and governance and knowledge system rules, those increasingly get handled by a smaller and smaller few, and then if you add on top of that, the digital age, it just speeds all of this process up.

Nate Hagens:

Well, the parallel in my work is that in hunter-gatherer times, there was no way to accumulate advantage. You could have higher status than others, but then agriculture created hierarchy, then fossil fuels created energy surplus, which created an accordion effect of the power law distribution of wealth. Then fractional reserve banking and fiat currencies and digital claims on reality exponentially increased it, and now AI is going to exponentially increase it again. So can you talk more about... I know you did a YouTube video on Peter Turchin's work. How do you think that's relevant here on the concentration of wealth and advantage?

Ashley Hodgson:

Yeah, well, Peter Turchin, he is a cyclical view of history person, and he's looking at data to figure out when will these moments of revolution or these moments of violence that sort of overturn the existing order, what predicts those historically? And he finds the top two are elite overproduction and mass immiseration. And of course he's looking historically so he's measuring people's height and looking at kingdoms.

Nate Hagens:

Mass what?

Ashley Hodgson:

Mass immiseration, I think is what he calls it.

Nate Hagens:

Like misery for more and more people.

Ashley Hodgson:

Yes, exactly. Exactly. Sort of increasing poverty, increasing... well, historically, it's the lower heights of people, which meant that they weren't getting as much nutrition and all of that. And when you have sort of frustration in the population that's growing because of their economic situation combined with a lot of people who are vying for those elite positions, where few of them will get them, it's kind of this recipe for the

# The Great Simplification

---

frustrated elites who want the elite positions but don't get them, can recognize the injustice and they can kind of use the frustration of the masses to marry the power that those aspiring elites may have. They have access to more avenues to change things. And when you combine that with the energy of a frustrated populace, that's a recipe for some sort of major change in the system.

Nate Hagens:

And how do you see that... I mean, I think that describes what's happening right now. Yesterday, I did a roundtable, which will be out in a few weeks on poverty in the United States and 41% of American families are what's called ALICE, which is asset limited income constrained, but employed, 41%. So poverty is much wider and deeper in this country than most people are aware. And yet if you look at the average wealth and income in this country, it's quite high, but the average, the mean is quite different than the median. So how do you see the digital age affecting kind of Turchin's thesis?

Ashley Hodgson:

Yeah, I mean, I think what the digital age does is it speeds up the interconnections people have and it creates more interconnections such that people can connect meaningfully with people all over the world kind of like you do. But that means these networks also had this Matthew principle.

Nate Hagens:

Matthew principle. What is that?

Ashley Hodgson:

Yeah, so the way I explain this in class is if you do an experiment where you give everybody \$100 and you start off with a luck-based experiment where everybody can bet half their money, and if it's heads you gain, if you bet 50, you get your 50 back plus another 50. If it's tails, you just lose your \$50. If you do that experiment starting everybody from the same point, obviously that's going to create inequality over time because some people are lucky for all 10 of the first 10 rounds, some people are unlucky for all of those 10 rounds. But I think the thing that surprises people is after 10 rounds of that game, the person who's the average luckiness, which is like 50% lucky, 50% unlucky, they're not at \$100 after 10 rounds, they're at like \$23. And if you-

Nate Hagens:

# The Great Simplification

---

Why is that?

Ashley Hodgson:

I mean, it's just a mathematical reality. It's sort of like people who have more when they bet their next round, well, they're at 150, so now they can bet 75. People who lost the first round, they're down to 50, so they can only bet 25. So just the nature of the mathematics.

Nate Hagens:

So who ends up having the most? The consistently lucky people?

Ashley Hodgson:

Yep. Well, in this little experiment, it's consistently lucky. But of course the real world isn't just luck, it's also skill and hard work. But if you were to redo the experiment, except how you win the bets is where are you on that spectrum of how hard you work? If you just say, okay, people at the 50th percentile how hard they work. In a system like this, they would be sort of falling farther and farther behind as well.

And if you sort of add on top of that, the fact that when you get more resources, it's not just that you can bet more and lose more, it's also that you can influence the rules of the game. You can sort of control pathways of upward mobility. Those properties, when you add them together mean people who are even sort of in the middle are going to get farther and farther behind in many systems where gaining wealth and gaining power leads to the greater power. And that's the Matthew principle based on the Bible quote that says, "To him who has more will be given to him who is not even what he has will be taken away."

Nate Hagens:

That was in the Bible?

Ashley Hodgson:

Yeah.

Nate Hagens:

That's kind of a nasty phrase. So the United States is often described as a plutocracy where the power lies with the wealthy who are some combination of lucky, hardworking, and skilled, and also probably recipients of the Cantillon effect, which is

# The Great Simplification

---

when new money gets created, they're closer to the source of the money in their investments, et cetera. So does this wealth inequality translate in our country and in the world to power inequality as well?

Ashley Hodgson:

Yes. I think power is actually the more important aspect here. I've started not even thinking of it as power to the wealthy. I've started to think of it as power to the people who were placed around the important nodes of power. Because I'm sure if you rewind sometime in the system, it was okay, yes, the rich are getting richer, and that's the main force at play. But if you think about this sort of Matthew principle where, okay, first the bottom 10% gets sucked dry and then the next 10%, and it sort of moves its way up to where, okay, now if you want to suck people dry, it's going to be the 60th percentile or whatnot. Eventually that system sort of leads to the only people who are able to use resources to suck towards themselves are people who are really well positioned on other dimensions of power.

Where here we're talking about resources like oil, do you have control over one of those nodes or media power or military power or administrative power, institutional power? There's sort of these different nodes at the top of the system, and in a lot of ways there's negotiation between those nodes, but a lot of really rich people actually don't have any leverage at one of those nodes. And I think many of those people, even if they're super, super wealthy, may be looking at the system. They may even be like an aspiring elite who's like, "Wait a second, I see these problems that are serious. I would like to use my resources to do something about the problem," but they just don't have access to that power node that's a specific resource.

Nate Hagens:

Well, since I'm talking to an economist, I just had a nerdy thought that I'll express while you were talking. There's resources which are very important to our economy. Then there's the control of the resources, which might be the first derivative of the resources. Then there's the control of the control of the resources, which is where the real decisions and the behavioral dynamics happen at very influential nodes at the system. And my fear is like you were saying before, you suck the bottom 10% dry and then the next, is that with AI and blockchain and the rapid fire technology that we're going to end up 10 years from now with 2000 humans that own everything on the planet. I mean, not exactly that, but that's the direction that we're headed. What are your thoughts on that?

# The Great Simplification

---

Ashley Hodgson:

Yeah, I really like the way you just framed that. I completely agree. And I think when you said, okay, there's the resources, the control over the resources, and then the controller influence over that, I think a lot of the energy trying to solve the problems is that a layer that's lower down in the system where it's like, okay, how do we tweak around the edges of these people who control a node and they have some power, but actually there's multiple layers above them where the real power is happening. And so if the energy to fix the system is not pointed at a pretty high level, if not the very highest level, I don't think it'll get fixed.

Nate Hagens:

So there needs to be a change of consciousness of the elites in the world for any real change in the Superorganism. Otherwise, it's just going to continue on that second derivative of control over control of resources and optionality for more monetary wealth, which is a claim on social power until it consumes the earth and sucks the bottom quintiles dry to summarize it.

Ashley Hodgson:

Yeah. Well, and I think the question is does it need to be all of the elites? I don't think the whole populace can go against all of the elites to accomplish this, but how many people need to be on board with a system change to make it happen?

Nate Hagens:

Yeah. This is a deep conversation and also a threatening and uncomfortable one, especially to a tenured professor. I don't think it's the fault of the elites that have gotten us here, but it now is the responsibility of many of the elites to help steer and change the way out of this. And then we run into game theory for them, which will be a barrier like you were saying before right?

Ashley Hodgson:

Yeah, exactly. So the collective action mechanism, I think it's going to have to operate on different levels. It's going to have to operate on the population level and on the level of the elites who are willing to change this system, which is almost certainly not going to be all of them.

Nate Hagens:

# The Great Simplification

---

It's been a while since I took an economics class. This is not the stuff that they talked about in economics classes when I was in grad school or undergrad. How do you do all this? How do you manage thinking along these lines and doing your online lectures and your New Enlightenment videos, plus you run an economics department at a pretty prestigious school. How do you manage all that?

Ashley Hodgson:

I mean, I don't know how I manage it sort of sometimes barely above water. But I mean, once you start to realize these problems, I went into this field because I cared about the problems, and then you start realizing, wait a second, when I'm trying to solve this problem, I can't and I have to zoom back and I'll try to solve it from a different level, and then I'll zoom back. And I feel like my whole career has been doing that. It's been zooming back another layer and another layer. And once you sort of realize, wait a second, we're in a place as a system that... I mean, it's scary in terms of what could happen, but it's also exciting because it means there could be a moment for real change. I can't not think about this stuff. So it's like my YouTube channel is just this outlet where I can be like, I need to get this out, and I'm hoping to talk about it with other people, and that's just a good way of organizing my ideas. Yeah.

Nate Hagens:

Well, I'm glad I found your YouTube channel, and I imagine if you zoomed out nine times you found my YouTube channel, but I feel the same way. I can't stop thinking about this and my Franklys and this channel are... the Franklys are my personal expression on ideas that I come across. And then the Great Simplification Podcast, you and I right now is highlighting other people that have found this and are thinking about it and trying to change the software of the operating system of the Superorganism. And we have to change the software in order to change the hardware. I don't know how good a metaphor that is.

Ashley Hodgson:

I like it.

Nate Hagens:

Okay, first time I've used it. And it doesn't look great, but it's also not impossible. And we are functioning akin, as you said in your Superorganism video. We're functioning akin to a cancer, which is unbridled growth that is slowly but inexorably impacting the

# The Great Simplification

---

life support systems of the only planet known in the universe to harbor complex life. But that doesn't mean that that is our epitaph or a foregone conclusion, and that's my hope. So what sort of hopeful or possible trajectories under the New Enlightenment are you advocating for or steering towards?

Ashley Hodgson:

So I think the knowledge systems are going to be the foundation because yeah, the economic systems are built on top of knowledge that moves incentives. And so rethinking how knowledge networks work, I think is going to be the most important. And that's going to be considering group think sorts of biases, just because communities of thinkers like academic communities, they can develop sort of a social dynamic and a power dynamic within that community, which can be bent toward power. And that's one thing we'll have to get out from under. I think it'll have to involve salience. A lot of the facts that we disagree with strongly online when there's communities at each other's throats. I think they sometimes think they're disagreeing about the facts, but they're not really, they're disagreeing about the salience of particular facts. And it's like, how do you place this particular fact in a worldview? And if your perception is, okay, this fact is representative of something bigger that's harder to see and it's growing, you're going to have a very different relationship with that fact than if it's just like an isolated fact.

Nate Hagens:

So facts are secondary to ideology, is that what you're saying?

Ashley Hodgson:

No, that's not what I'm saying. What I'm saying is how a person takes a series of facts that may be scientifically validated or indicative or whatnot, and constructs those facts, pulls those facts together into a worldview that places them properly so that you can use them and you have an accurate perception of reality, the mechanism that helps you place facts into a salience frame. That's really important because like salience, it's like most facts out there are invisible to you, and most facts probably should be invisible to you. But yeah, it's a behavioral economics concept that I always use the example of when my friends have children, suddenly they see daycares that they could never see before. Those daycares were invisible to them, but their salience frame changed when they had children because it's relevant. So how do you take information about reality that's been perhaps validated using the scientific method

# The Great Simplification

---

and figure out what parts of this should be invisible, perhaps what parts of this should be really salient, but right now they're not reaching the brain of the Superorganism? I think sort of rejiggering that is going to be key.

Nate Hagens:

I assume when you've read Turchin and others that you've looked at historical cultures, are there notable past societal responses to turmoil that are suggestive of possible pathways for our current situation?

Ashley Hodgson:

So I don't know if I'm the best person to answer that because Turchin looked at the New Deal in the 1930s as a positive example. And I think I could be convinced that that's a positive example, but I'm not yet. If the New Deal had happened without World War Two, would there have been more of a leveling like there was an inequality and did the New Deal even solve things the way they need to? I mean, I don't think that's even remotely close to what needs to happen. I think it's going to need to be a much bigger system change. And then, yeah, I think what's going to need to happen in the digital age is just so different from past societies that the closest thing I can think of is going from apes to humans where humans have this moral mechanism in our brains and our hearts and our human nature that sort of helps us enforce a collective action mechanism such that you don't get a bully like a single alpha male in the chimp groups that rules everything. Like humans can act against that using moral communities. And in some ways, I think that is the closest parallel, even though human communities vary widely in terms of some of them are super egalitarian, but that's enforced using moral communities and concepts and some of them are more hierarchical. So yeah, I don't necessarily have a good answer to that question.

Nate Hagens:

Yeah, it's an interesting one. So I assume that you standardly teach your students micro and macroeconomics and the things we're talking about on this podcast are not your bread and butter of your teaching, but you spend a lot of time with young people. What is your sense being a college teacher, I haven't taught in a few years, what is your sense of young people and are there intergenerational dynamics that are going to be relevant to potential systems change?

Ashley Hodgson:

# The Great Simplification

---

I definitely think we're going to need a collaboration across generations because my students, they're very aware of how social dynamics work both in the digital space, but also the way the digital space spills over into real world space. And I could never be at their level in terms of that kind of social understanding. It's like the part of our brains that is socially attuned. For them that part developed in the digital world. I'm almost certain whatever change we are going to have is going to have to use digital tools.

So you need people who understand how that works on a level that no model could capture. I think the young people are going to do that. I also sense that there's more awareness among that generation of the frailties in the system than say in my generation because in some ways they're trying to envision their own careers, their own pathways, and I think they recognize, "Wait a second, when I try to envision forward, what is my role in the system?" It doesn't always work. So they do, I think many of them have an intuition about this kind of stuff, even if they're not explicitly watching your podcast or keeping up with some of the other people talking about this stuff.

Nate Hagens:

So in a way, they've grown up with social media and digital world. They've kind of outsourced a little bit of their system to the cloud in a way, their social physiological system resides in these devices in a way that you and I grew up in a little bit different world.

Ashley Hodgson:

Yeah, exactly. And that could be an advantage or it could be a disadvantage if there's sort of a lot of mechanisms inside the phone that point understanding toward power. And so it's like how can we switch the phone and the way people outsource their knowledge and their trust in a lot of ways from the phone to a version of the phone that's healthier, which might still mean that many people have different pathways that they're going to in the phone. I don't think we need everybody to think the same way or use the same trust pathways to reach information. But almost certainly the pathways right now bend toward power.

Nate Hagens:

So when you walk into your classroom, are the kids talking to each other or are they kind of on their phones and then you get their attention?

Ashley Hodgson:

# The Great Simplification

---

So I've been intentional about... I have had semesters, especially since COVID, where people were not talking to each other, which was different. I've been intentional about getting them to do icebreaker questions or sometimes they just kind of know each other and are talking. So right now, this semester, there is conversation between them before class, but I do think it's a real thing where there's a little bit less comfort with that. The skills for in-person communication are lower among that generation, which I think most of them acknowledge. Yeah, our generation does have a lot of our social building online where you can kind of smooth out the hard edges that like most social skills is figuring out how do you smooth over awkward moments and hard edges and those little uncomfortable parts of interaction.

Nate Hagens:

Yeah. Jonathan Haidt, social psychologist, was on my show earlier and recently. He's been researching and tweeting out a lot on how bad social media is for young people's mental health, depression, self-perception, self-image, all that. So it's both a vector for positive change because it connects the global brain of humans in the Superorganism, but it's also got this sucking your mental energy constantly out of it. So I don't know what the ultimate answer is.

Ashley Hodgson:

Yeah, it's definitely going to have to involve something where incentives are pointed more toward real world communities and maybe that pointing toward is mediated through the digital world, but there needs to be incentives to just show up and be with people and persist through the inevitable conflict that happens with human communities.

Nate Hagens:

You mentioned briefly earlier blockchain. What are your thoughts on blockchain, Bitcoin, et cetera, as one possible avenue towards the new enlightenment?

Ashley Hodgson:

Yeah, so I don't know the answer to that other than, I mean, I think the kind of switch we need to a new system, it's going to require tools. And I think the hope of blockchain is that it does offer some really helpful avenues like having a universal computer that anything written on that computer, whether it's rules about how the game works or rules about governance or whatnot, having a place where people can trust those rules

# The Great Simplification

---

are not being manipulated by someone behind the scenes in favor of power. I think that's going to be essential.

Now, I think the question is, are the current iterations of blockchain, could those withstand a shift to a new system? And I don't know the answer to that, but I do think the people who are investing in those tools and building that out, I think they're doing essential work that is likely to move us to something better. And so even if perhaps some of the incentive structures or mechanism designed behind some of these may or may not work out, it could work out absolutely with the current set of tools or it could not. I think the endeavors are really important.

Nate Hagens:

I agree with that. So let's circle back to this shifting the Superorganism idea through the new enlightenment. So at the beginning of this conversation, you said there were three major areas to guide the building of new institutions, economics, governance, and knowledge or epistemics. So how do we begin to shape these three elements to address some of the issues that I cover on this podcast that we just talked about?

Ashley Hodgson:

Yeah. Well, so I mentioned the changes in the knowledge systems. I think that's sort of the biggest part, but they're intertwined. The economic systems, I think we need to get out of the ruts we have of the current debates, the debate over socialism versus capitalism. I think if you start talking about different systems, it's really easy for the conversation to sort of veer off toward the same debate people have had for years and years and years. And I think if you spend too much time in that particular rut, you can't think your way out of it. It's sort of like there's this impetus that's either you're super afraid of capitalism or you're super afraid of socialism. And both of those fears are totally valid. And if we need something that's different, I think we're going to have to focus more on the feedback loops that capture is this system depreciating?

Is there a power to the powerful thing, a rewriting of the rules of the game by people with power? Is that happening in this particular institution, which could be a firm, it could be a government institution, but it could also be the institutions that are written on our hearts like our moral code or what we view as legitimate or illegitimate uses of power, what we view as the obligations behind money and debt and things like that. So I think we're going to need to recognize that almost any institution will depreciate and recognizing when one has started to depreciate and having ways of channeling

# The Great Simplification

---

resources away from those that are becoming cancerous. And in some ways, I think this will need to involve some kind of creative destruction of institutions where creative destruction, basically, it's where we don't want to point adversarial resources toward things that aren't working because then you get this big fight and they fight back. But when the resources just sort of get rechanneled toward a healthier institution, reinvested there, I think something like that is going to be key to the changing of the economic structure.

Nate Hagens:

Could you give an example of redirecting resources towards a positive institution?

Ashley Hodgson:

Okay. I need to think more carefully about... I feel like any example I give is going to be embedded in something that's really not working right now. So I mean, capitalism has one source of creative destruction and it's an imperfect source, and it's subservient to institutions that aren't subject to this kind of creative destruction. But the source in capitalism is if you have a company that is not doing well, the idea is that it would financially not work out. It's going to go out of business and people instead would start buying from some other place. Now that particular version of this mechanism is no longer working in the way it should be. So there's sort of institutions at a higher level that are actually influencing that whole game in ways that are not healthy.

So that's a theoretical one version of this. I think you could have similar versions with social media or say influencers or podcasts where if you have a thinker who starts to, I don't know, just talk about ideas that are bad or be disrespectful or something goes wrong with that thinker, people may just stop listening to them. So people are choosing, I'm not going to put my eyeballs on them. They've started to go crazy, I'm going to go elsewhere. But that's another one that's totally out of whack, given a couple of layers up inside the system right now. So I don't think it's going to be easy to get this right, but I think the focus, if we're going to try to rejigger the system, does need to be on those feedback loops that hold parts of the system accountable to their social value and that instead of inciting a lot of battles, there will need to be battles, like adversarial energy and lawsuits and stuff like that, I think something like that will still exist and be important, but there's not infinite energy for that, so just having ways of rechanneling, I think, is how I'm starting to think about this. And I haven't fully fleshed out this vision, that's the task of the channel is to, bit by bit, try to figure out what could be an element here.

# The Great Simplification

---

Nate Hagens:

Your channel and your concept of The New Enlightenment, you are figuring it out over time, because you're curious, and then you explore some concept, and then you do a video on it, and you're learning and figuring out what paths are false and what paths are dead ends and what paths are possible?

Ashley Hodgson:

Yes. The false and dead ends, that's actually a really important point here. I actually think we need a lot of ideas that are not viable, because a lot of times, people will put out an idea for a new system, and people will look at that with a critical thinking brain that's been developed inside the current system, and they'll say, "Actually, that doesn't work." And it's not that the criticisms are wrong, it's that, okay, if we're going to have a new system, it's not going to arrive in anybody's brain fully formed, it's more like we're going to have a bunch of different ideas from different people, they're all out on the table, and there's going to be a mixing and a matching, and by the time the mixing and the matching leads to an actual new system, it will be different enough that we're going to need different ways of thinking about critical thinking. So I think people need to be not afraid to put out specific ideas that won't work.

Nate Hagens:

Why? Because the more unviable ideas that we see and recognize as unviable, the more we get steered into the direction of things that actually might work, is that what you mean?

Ashley Hodgson:

No, I mean if we recognize that something's unviable, it could be that that thing that is completely unviable in the current system with people's current set of expectations and mental infrastructure and social infrastructure and all of these institutions, it's like, okay, in this environment, that's not viable. It could be that if you take 50 of these unviable ideas, and mix and match them together, and duct tape them together, to move toward a new system, each of them is actually going to function really differently in a new system. So something that's not viable in this system could actually be a very viable part of a different system that we can't yet envision.

Nate Hagens:

# The Great Simplification

---

Got it. Yeah, I agree with that. So do you advise graduate students, or do you just teach undergraduates there?

Ashley Hodgson:

I just teach undergraduates.

Nate Hagens:

So how might graduates of your school and graduates of schools around the world and other academics begin to work in these areas towards a new enlightenment, do you have any thoughts there? Because the academy, which you're a part of and I used to be a part of, is kind of a miniature Superorganism, in many ways.

Ashley Hodgson:

Yeah. Well, I think the first thing is, if you're interested in solving this problem, you have to somewhat let go of the incentive structures inside of academia, because if you're on the path of, oh, I'm going to publish a lot and get my accolades through the system, it will steer you away from this kind of thing. So that's number one is let that go, even if it means letting go career opportunities.

But then, after that, I think there's not going to be just one type of thinker, we actually need people who develop out expertise in really different fields who can talk to each other. So it's not about getting rid of biases, you can't get rid of biases, and in some ways, following a particular intellectual pathway is going to lead you down a journey that will create its own biases, and that could be good, especially if the biases you're developing are different enough from current systems. So in some ways, I think it's about figuring out, where does your brain fit in this system? What are your passions? It's like understanding enough of the whole Superorganism to find a place in that, that is meaningful to you, that you feel like could be one little piece of the puzzle in rejiggering the system.

Nate Hagens:

I am going to ask you some personal questions, Ashley-

Ashley Hodgson:

Okay.

Nate Hagens:

# The Great Simplification

---

... that I ask all my guests. I'm sure you know what they are. What sort of advice do you have for people aware of these issues choosing to take in the full enchilada of the metacrisis and think about the future? Do you have any personal advice?

Ashley Hodgson:

I think for this collective action mechanism to happen, I think we're going to need people in different idea bubbles who are capable of developing trust with people in other bubbles. And I think this is the biggest thing that anyone can develop, but especially people who are into this kind of thing, is that recognizing, okay, in every little idea bubble, people in that bubble are aware of some problem, and they're deeply aware of it, and they have this language for describing the problem that is a little bit inside the bubble.

But the problem is, a lot of slogans and buzzwords and people come to represent the bigger idea set, and people inside that bubble know, oh, yeah, that little slogan, I understand the depth of that. But people outside the bubble, what they experience oftentimes is just people in that bubble dismissing their ideas. So if each bubble has something they're in touch with that's a real problem, they're really frustrated when people outside the bubble dismiss them, and so they start to dismiss those ideas, like, you're trying to fight for your problem and you're putting your problem above mine. So it's like social media gives us this intellectual armor for dismissing people who say things that are threatening to us.

Nate Hagens:

This is why this podcast is increasingly difficult, because there are so many bubbles that are covered in the content.

Ashley Hodgson:

Yes.

Nate Hagens:

And I think what you're describing, in the past, I've referred to as mimetic tribe diplomats, that we need translators that can walk between the bubbles and suppress their own identity in order to broaden the conversation.

Ashley Hodgson:

Yes, that's it. That's so essential.

# The Great Simplification

---

Nate Hagens:

Right, I agree with that advice, and that may be, in our society, one of the key things that we need. I'm really nervous about, no matter who wins the next election, there are going to be these ideological bubbles in this country that are going to be potentially violent, and we're going to need translators, no matter who wins, we're going to still face the same set of problems.

Ashley Hodgson:

Yeah, and usually, in most of these bubbles, even if there's a little bit of incorrect information or false perceptions and all that, there's usually something inside every bubble that's like, that's a serious problem that needs addressed, but they can't hear each other, and it's like, okay, wait, all of these problems are connected at the underlying layer of the system.

Nate Hagens:

So do you have any other recommendations for listeners aware of the metacrisis?

Ashley Hodgson:

Well, my number one recommendation is to try to learn about other bubbles. But I think my other recommendation is, almost it seems counteracting to that, which is we're going to need communities and strong relationships, and I feel like putting your relationships at risk by trying to learn about the other bubbles through people in your close relationship circle who disagree with you. I do think there's this danger to that, because the structure that we've inherited from social media has set up ways that we can't perceive each other's painful spots, we can't perceive the language that's contemptuous that our tribe uses, or that's interpreted as contemptuous. So putting relationships and community above any of this, but then, with that in mind, developing those skills to cross the boundaries, I think that's a hard thing to navigate.

Nate Hagens:

How would you change your advice for young people? And as a college professor, I'm sure at the end of the semester, you become friends and you wear different hats. If I recall, I was their teacher, I was their counselor, I was their coach, I was their friend. What advice do you give to early 20-somethings headed into the things that we face?

Ashley Hodgson:

# The Great Simplification

---

It's really developing these skills. It's developing the skills, especially the in-person skills of just communicating with people, apart from social media land, and recognizing when is the social media space bleeding into these relationships and into these communities, and trying to foster spaces that are separate from that, because I think the in-person skills are essential and they're easy to lose.

Nate Hagens:

I agree. What do you care most about in the world, Ashley?

Ashley Hodgson:

I think I care most about my relationship with God, and I think the serenity prayer captures it, it's like the wisdom to know the difference between what I can change and what I can't, and following out what I can actually change, and finding my place, and letting my place in the world be different than other people's, and letting them have the space to be doing something that I don't understand or can't understand, but interacting as best as I can with those people.

Nate Hagens:

I'm struggling with that too at the moment, I'm trying to do too many things, and I think you're right, we each have to do what we're best at and let others do what they're best at. I think you also care deeply about learning, don't you?

Ashley Hodgson:

Yes, that's like an obsession.

Nate Hagens:

Yeah, it's good. Curiosity is a really important skill, especially for people that can pass the baton to others, as teachers like you can. If you could wave a magic wand and there was no personal recourse to your decision, what is one thing you would do to improve planetary and human economic societal futures?

Ashley Hodgson:

Well, so I don't know if this is allowed in the thought experiment, I love the thought experiment, but it would be for everybody to have three communities that they knew well, where they knew the personalities, they had enough experience, meeting once a week or just being together, to where they could function as a community, handling

# The Great Simplification

---

challenges and crises, because I feel like that would be the infrastructure upon which a new economy could be built.

Nate Hagens:

Why three and not one?

Ashley Hodgson:

So there is risk with communities, and sometimes you need to take risks to speak up and say things that will disrupt the power balance of the community, or that will be outside of what this community is normally used to hearing, and when you have multiple communities like that, it lowers the risk. It's like, okay, if I take this risk in this community, I'm not risking my whole social structure, I'm risking a big part of my social structure, but I think it'll make people more willing to take those risks. So I do think it needs to be multiple.

Nate Hagens:

I like that idea. I recently, in episode 100, which comes out next week, talked about people having three core groups, one, people they just have fun with, one, people that they have an intellectual affiliation with, and one that they do stuff, like hands-on stuff, three different groups of five to seven core friends, because you can't expect that one would have all the things that you're interested in, and I think there's a health and a diversity and a diversification that happens there. So I agree with that idea, but that was salient that you said three and not one.

Ashley Hodgson:

Yeah. No, I like that. And it lowers the pressure on any one group to be everything to everyone in the group.

Nate Hagens:

Yeah, totally agree. This has been great. So I know we just scratched the surface of your thinking on these things. I will offer that the next... Let's do a follow-up podcast in 2024, and we'll do it in person. We'll find a studio in Northfield or Red Wing or Minneapolis or even maybe here, I could rejigger it, and we'll take a deeper dive. What's one topic that overlaps between the two of our interests that you would be willing or interested to take a really deep dive on?

# The Great Simplification

---

Ashley Hodgson:

Well, so it's one that you suggested for this podcast, and I nixed, which is economics in general, the field of economics. This is the field that's looking at scarce resources and allocation of scarce resources and incentive mechanisms, it's so essential, but this groupthink idea, and the notion that communities of knowledge can be bent toward power, even it's a small amount that can compound over time, I would love to talk with you about that. And I think you and I might think of it slightly differently, and I didn't want to talk about it this podcast because my fear was, if we tried to do it in five minutes or 10 minutes, that it would just lead to misunderstanding, and I think we're kind of on the same page mostly, but I would love to talk with you about that, and in person would be fantastic.

Nate Hagens:

Okay. It is a plan. Thank you so much, Ashley, for being here today, for teaching young humans about the world, and for your channel, The New Enlightenment. And stay warm and be careful of boxelder bugs, I just recalled the name. Do you have those there in Northfield? You must.

Ashley Hodgson:

I know what bugs you're talking about, but I haven't seen one in a long time.

Nate Hagens:

Yeah, boxelder bugs. There are thousands in the office here on the walls, so I'm going to have to deal with that. To be continued, my friend.

Ashley Hodgson:

Definitely.

Nate Hagens:

If you enjoyed or learned from this episode of the Great Simplification, please follow us on your favorite podcast platform and visit [thegreatsimplication.com](http://thegreatsimplication.com) for more information on future releases. This show is hosted by Nate Hagens, edited by No Trouble Makers Media and curated by Leslie Batt-Lutz and Lizzy Sirianni.