

The Great Simplification

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[00:00:00] **Nate Hagens:** Good morning. Long ago. long ago when I began to understand the broader energy material and ecological foundations of our current civilization. I intuited that all these biophysical issues were fundamental. The energy and ecology details would probably be too complex and slow moving to be what people noticed in their everyday lives.

[00:00:29] Instead between and within countries, people would begin to experience a different economic and psychological reality than the more or less straight line up economy of the past 30 to 40 years, or depending on your boundary, 500 years. But I didn't yet know, back in the day about AI and politics and some other catalysts.

[00:00:53] Every civilization faces, moments when it phrases, as we've learned on this platform from the likes of Joseph Tainter, Peter Turchin, Luke Kemp, and many others, when the trajectories of its people's values and capacities diverge sufficiently because they no longer share the same reality. I believe we are now entering one of those moments, and I'm framing it here as a quadruple bifurcation.

[00:01:28] Bifurcation is a division of something into two branches or parts, that will define the next several decades in the United States and across of much of the world. Briefly, these four bifurcations are economic. Cognitive, psychological and worldview, and each of these trends is distinct from the other unfolding on its own timeline.

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[00:01:51] Yet they're now deeply entangled, integrating with one another in a feedback loop. That is quietly becoming the backdrop for what it means to be human in the 21st century.

[00:02:14] Okay. First economically. A few weeks back, I described how the median human is actually more pro-social than the average. Given the prevalence and influence of dark triad and, psychopathic traits on the aggregate population, this same math, extrapolates to growing wealth and income inequality, average net worth is increasingly misleading because asset inflation primarily benefits the top quintile.

[00:02:43] While wage inflation barely offsets the increased cost of living, 60% of people in the United States now live paycheck to paycheck, even amid historically high employment and all time record stock prices, over 40 million Americans are on food stamps. And the SNAP program that electronically distributes these is potentially on the chopping block in this current, government shutdown.

[00:03:13] you know, as an aside, I went to the local Walmart, this past weekend. It's actually the only place within 50 miles of me that has organic produce. And the checkout lady and I talked, for quite a bit. She told me that before COVID, they used to make \$12 an hour, but with full benefits, but now they make \$16 per hour, but no benefits.

[00:03:35] The benefits were removed. She said every single employee there is on food stamps. anecdotally, another friend has a dog and a cat, and in order to pay for their care, she has to skip meals herself. Many other examples of people who have some health concern but can't get it treated due to poor or no health insurance or no money or both.

[00:04:00] already today we have an hourglass economy. The top 20% of households are doing fine, but the 80%. Subprime are suffering. And this could be

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an entire one hour, frankly, on all the ways the majority of Americans are not doing well. But that is not my point here. My point is that the next economic downturn, and it will come, won't just be a recession, but an acceleration event in the stratification of society when the economy rolls over again.

[00:04:32] Tens of millions who are already on the edge won't just tighten their belts, which is what happened during recessions during the previous century of abundance, but likely drop out entirely into material poverty, into debt traps, and and often into despair, on the current default path. So other than some.

[00:04:55] Hand wavy things about universal basic income. Our nation, our regions, our communities have no plans for this. This bifurcation has been unfolding for a while, but is on the verge of seriously bifurcating. If the first bifurcation is economic, the second, will be cognitive. Like it or not use it or not.

[00:05:21] AI is here. Let's for the moment, leave aside the energy material, limits discussion and the fact that I personally think AI is in a biophysical bubble, a topic for another, frankly. But let's assume that AI continues to accelerate at its currently, generally accepted pace, at least generally accepted by Wall Street and the money propping it up.

[00:05:44] In the strict time is money. GDP and profits are the only goals. Fashion. Those people who use AI are going to outcompete in virtually every industry. The average American has 100 energy slaves doing physical tasks 24 7. Now, the average American is likely to have dozens, hundreds, thousands of cognitive workers at their disposal.

[00:06:09] So we're now watching the world separate into two camps. Those who deeply integrate ai, who use it as a force multiplier in whatever their work is and those who don't. either by choice or by fear or by lack of access economically, at

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least at first, the ai augmented people are gonna be faster, more efficient, more productive.

[00:06:36] At least measured by the current aspirations of our money as God culture, they will outcompete. And integrating these first two bifurcations together, here is a salient point. when humanity discovered fossil fuels, we effectively added hundreds of billions of physical human worker equivalents to the global economy.

[00:06:59] Yes, the wealth was spread unevenly, but most humans had access to this windfall of global fossil sunlight. The global economy is a thousand times bigger than 500 years ago, and there's a global middle class that didn't exist 200 years ago. The average human today consumes depending where you live, 10 to 30 times more in goods and services than what we did in the year 1800.

[00:07:23] Now with ai, we aren't adding physical workers, but mental workers in the hundreds of billions or more. However, this windfall is unlikely to be shared the way fossil surplus was. The owners and steers of AI are a tiny fraction of the population. The owners of data centers and the like will become so powerful that I suspect, worry that the line between.

[00:07:52] Corporate and individual power and nation states will begin to blur. The benefits from our new cognitive slaves will not be economically equal, not remotely, but that also is not my point here. Here's the twist and my main point about the cognitive bifurcation. As humans outsource more and more cognitive work, writing, thinking, creating, deciding subtle processes in our minds begin to atrophy.

[00:08:25] The more we outsource cognition, the more our raw human capability erodes cognitive atrophy. Will not be immediate and will be largely invisible, but

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for those who have. Bitten the AI apple and continue to eat. It will be insidious and I suspect inevitable. And I see this in my own circles, of friends already.

[00:08:50] There are dozens of people in my LinkedIn feed now write clear, concise, and somewhat robotic pros that is devoid of their own individuality. And worse, they don't recognize that their new clearer language. Is the same language as all the other dozens of influencers in their space, and the whole thing has become homogenized where it all sounds the same and is losing its meaning.

[00:09:15] It's not X, it's Y has now become fingernails on a chalkboard to me. But again, I digress. I know people who are so bought into chatbots and productivity that they're now becoming unable to write or think for themselves. Episode 200 on the podcast with Nora Bateson and Zach Stein. We'll dive into this deeper.

[00:09:38] It's quite disturbing how people are outsourcing not only their thinking, but their attachments to the machines. but our species has been here before. Our brains have actually shrunk, over 10% in the last 10,000 years. A change. Many anthropologists attribute to outsourcing our cognition to culture and tools and institutions.

[00:10:03] It's happening on steroids already with existing technology. Many humans, including yours, truly have a significant loss in the sense of direction from our using of GPS on our phones. we have less memory, less verbally inclined because of writing books and search engines. And many need to use a calculator for basic math.

[00:10:27] I don't need to do that, thankfully. But now we're about to do it again. At the speed of light, or rather the speed of electricity powering our data centers. AI will not only do our work and shape what we think, but it will shape how we think. It's gonna shorten attention spans and destroy nuance, and it's gonna reward speed and robotic clarity over.

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[00:10:57] Reflection, and humanity, and I suspect it will result in a massive loss of creativity. If many just continue to use AI to make the first draft of something we're gonna lose the ability and practice of creating something from scratch and knowing how to just put some words down on paper. Or a Word doc.

[00:11:23] So those that actively use ai, and under some scenarios that could be a large percentage of our population will get used to not knowing because the models will know for them. And over time, the mental muscle of independent thought is going to weaken an atrophy. And I see it happening now even at the early stage.

[00:11:45] I have to preempt myself from using ai, as more than a research assistant. so this bifurcation will be, we'll have one population whose cognition is extended by machines and another whose cognition is excluded. From them. The first is going to seem dominant until a corporate camping trip without internet or an impromptu speech or of more pragmatic concern to listeners of this show.

[00:12:18] When we experience increasing brownouts and blackouts and people only have intermittent or no access to the electricity that animates their cognitive slaves, how many of us will remember how to think right? Decide and discern without access to these machines. So just listening to these first two bifurcations might lead you to guessing the third, which is the coming explosion of mental health issues.

[00:12:50] We are already living in a society where depression, anxiety, and loneliness have become structural features of modern life. United States, according to the National Institute of Mental Health, 60 million Americans had some mental illness in 2022. That's almost one in five people. I have to believe based on anecdotal evidence that this is under reported.

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[00:13:17] About 10 years ago, I worked on community resilience with a bunch of regional poverty, directors and organizations, and I learned there is a mistaken meme in society that poor people are less intelligent. The reality is that being materially poor in our society dramatically increases one's cognitive load.

[00:13:39] And because we're worrying about how we're gonna pay our bills and feed our children, we lose the cognitive bandwidth to be able to make good decisions. So on top of everything else, the have nots will likely be disproportionately hit. Psychologically economic stability breeds stress fuels, addiction, which itself deepens mental illness.

[00:14:08] A recent, study found that adults with less than \$5,000 in total financial assets reported over two times the odds when, being screened for depression and anxiety as adults that made over a hundred thousand, or had over a hundred thousand in financial assets. This makes sense. But I'd be remiss in pointing out that those are, who are materially poor are also more primed to live this more simplified, localized lifestyles that The Great Simplification may demand from us in, in the future in stark contrast to the much more intense lifestyle downsizing.

[00:14:48] That the materially wealthy might experience. And I'll point out that almost 50% of people who make over six figures live paycheck to paycheck. I'll put a reference in the show notes to that, but in this case, the economically well off will not be immune to psychological distress either. Many AI users will increasingly live in digital isolation.

[00:15:11] A hyperstimulated undernourished emotionally and having their closest friends be large language models. We are in effect, slowly splitting into two psychological demographics. One that's resilient, grounded, emotionally literate, and capable of, autonomy and, self-regulation. And another that's more brittle.

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[00:15:42] reactive, medicated, and perpetually having to cope as a first priority, leaving the engagement as a productive member of society for some time in the future. I increasingly believe the mentally healthy are going to become a kind of elite class in our society. Those with stability, resilience, and meaning, while the rest of us, are at risk of increasingly fragmenting under increased stress and existential malaise of what it means to be human, in today's society.

[00:16:21] And like the previous two bifurcations, this isn't a binary yes or no, you're in this camp or the other, but more of a sliding scale. But the direction for many in our culture is at present heading towards the unhealthy pole. As such, the mentally healthy will be the islands of coherence, not because they're richer, but because they still have capacity.

[00:16:46] For reflection, for stillness, for full attention to the moment, to the person, to the issue, and for empathy. So the third bifurcation is the one inside our heads and our hearts, between those who can maintain coherence and chaos and those who may fragment under the weight of what's happening and is on the horizon.

[00:17:12] I have a lot more to say about this. I can't offer these frankly and have solutions on each one. But pro-social prepping libraries of healing rocks in the river are among the categories of intervention I'll be unpacking in future presentations, addressing this side of our encroaching reality. I could stop here as this is quite enough already, for a, Halloween, frankly.

[00:17:38] But while these fragmentations apply to individual humans when aggregated, they also shift what kinds of worldviews and values dominate and steer society, which brings me to the fourth bifurcation. At the philosophical level, even today, humanity is divided between two worldviews on one side, the anthropo centrist, the human first growth, first left brain control, first mindset.

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[00:18:09] Our economy and technology are the measure of all things. Progress is expansion and nature is the raw material. On the other side, a quieter countercurrent. The remnants of our species from before the fall are the ecologist, the animus, the systems thinker, and many people who follow this channel. people who see humanity as part of a living web.

[00:18:37] and not the apex of it, who believe that humanity's long-term survival now actually depends on decentering ourselves and somehow moving from apex predators to apex custodians writ large. But here's the looming tragedy and why. I'm kind of a. Happy-go-lucky Golden retriever personality, but I'm often quite disc consulate and pretty sober on these Franks and in my presentations.

[00:19:10] Energy surplus has allowed a large chunk of humanity to learn about and care about our growing impact on the biosphere in the natural world. This awareness at the species level is new and fragile and precious as I see it, and have grown up witnessing it and being a part of it. But in times of instability for our species, existing structures and priorities, and institutions aggressively doubled down on what brought us here, and all the things that support the Rube Goldberg economic machine of the moment and wisdom and humility and extension of rights to the more than human likely will lose out.

[00:19:55] To the path dependence of the economic Superorganism and growth at any cost. So the fourth bifurcation is between those humans trying to master the planet and those trying to rejoin it.

[00:20:13] So the have-nots grow in number. The cognitively dependent grow in number. The mentally unwell grow in number and our cousins in nature lose, voices and champions and allies to their cause. And each of these bifurcations reinforces the next until we suddenly wake up one day and we are no longer one culture.

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[00:20:41] But a fragmented collection of individuals living on seemingly different planets. I do not think this is the end of civilization, but I do think we're witnessing the dissolving of a shared experience. We used to imagine progress as a linear story of human inventions over time, better tools, better lives, better futures.

[00:21:07] What's happening feels like something deeper and more existential. And the question I pose here isn't which of these bifurcation categories I'm a part of or you're a part of, but whether we will still be able to see, and empathize with those at different points on the spectrum in these categories.

[00:21:28] 'cause once we can't, the bifurcation won't be something that's coming. But something that's already happened. For those following this channel. You know, I don't think we'll choose cultural, quadruple bypass surgery ahead of the societal heart attack, but we'll have to change our behaviors and respond after the fact.

[00:21:52] The entire purpose of this platform is to understand, prepare, and steer these, in my opinion, highly probable now events in more benign directions. I don't believe there is a solution to these trends they've been building for decades, and in some cases the economic Superorganism for Millennium. But there are infinite responses that at least directionally make sense, which will be the topic of next week's, frankly, an upcoming podcast.

[00:22:27] Happy Halloween. See you next week.