

Quillian's Theory Of Transformation of Institutions

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Posted on [March 28, 2019](#) by [Fantasy Free Economics](#)



In mainstream academics a school is where education takes place. A government agency is where society's problems get solved. The Federal Reserve is devoted to managing the country's economic issues. According to standard conventional logic, all of life's institutions are functioning just as intended.

My theory of Institutional Transformation shows that institutions are only accurately defined in terms of what they do on the first day the institutions are open.

Society assumes a human incentive to serve and that folks working inside of society's institutions are diligently trying to do the right thing. Nature only provides one universal incentive, self interest.

After an institution is born, all who work in the institution immediately start changing in ways that support their personal goals and aspirations of the people who control the institution. Outside interests focus on the institution as the source of their revenue and lobby to make the institution grow so as to provide even more income opportunities. After years pass a school remains a school in the minds of citizens but the real output produced by the school morphs into other things. Degrees are given because it is profitable to generate degreed persons. Do folks who have degrees have any utility to society? That question is never asked.

In time institutions lose their original function and do other things based on power and influence. Because of this process, many of society's most trusted institutions are doing the exact opposite of what they were created to do.

Fantasy Free Economics makes no errors in this regard. Institutions are studied according to the functions they are really performing and never what they are doing in name only.

With Fantasy Free Economics the Federal Reserve executes political agendas and doesn't actually do anything for the country over all. Schools are expensive warehousing organizations where about 10% can take advantage of academic resources if they choose. In public high schools the most critical activity is rounding up strays and getting them on the campus. The state pays the district a large amount of money every day for every child who attends. The districts lose every day a student does not show up. Less important is what happens with them once they are in school. Any government agency does first what is good for the people who run the agency.

I study what actually happens in real life. Institutions are what they are after they have been transformed by the manifestations of self interest. An institution is what it is and not what it was intended to be.