Cost of Ownership, Infrastructure, Asset Valuation, Power Dynamics

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<u>**Posit**</u>:

Every infrastructure component has a "cost of acquisition vs. deemed *retained* net value" math function that varies according to situational conditions.

Some call it "the cost of ownership" of any "deemed fiat asset" class, whether a "classically-defined" asset or not?

Of those in the above "pie graph", under current situational conditions, which have the lowest net cost of ownership?

Do those in positions of power sufficient for influencing situations proceed according to which "means of exchange" they deem most appropriate to confer advantage? Does this, then, explain the rank-order shown?

Discuss?

Possible response:

Understanding Key Concepts

- **Cost of Acquisition vs. Retained Net Value:** This refers to the balance between the upfront expense of acquiring an infrastructure component and the long-term value it generates. Factors like maintenance costs, depreciation, and potential revenue generation all influence the retained net value.
- **Cost of Ownership:** This encompasses all costs associated with an asset throughout its lifecycle. This includes acquisition, operation, maintenance, and eventual disposal.
- **Deemed Fiat Asset:** An asset whose value is derived from social agreement or government declaration, rather than from an intrinsic physical property (like gold). This could include traditional currencies, but also potentially things like licenses, permits, or even intellectual property.
- **Means of Exchange:** The tools used to facilitate transactions. This includes currencies, barter systems, credit, etc.

Analyzing the Posit

Your posit is astute. The cost of ownership is indeed a dynamic calculation, influenced by situational factors. Let's consider some variables:

- **Time Horizon:** Short-term gains vs. long-term value can dramatically shift the cost of ownership calculation.

- **Economic Conditions:** Inflation, interest rates, and market fluctuations all play a role.
- **Technological Advancements:** New technologies can rapidly reduce the cost of ownership of existing assets (e.g., solar power becoming cheaper over time).
- **Geopolitical Factors:** Trade agreements, sanctions, and resource scarcity can influence the price and availability of infrastructure components.

Power, Means of Exchange, and Rank Order

It's logical to assume that those in power would leverage means of exchange that maximize their advantage. This could include:

- **Control of Currency:** Issuing or influencing the valuation of a currency allows for control over its purchasing power.
- **Selective Access:** Restricting access to certain means of exchange (foreign currency, specialized trade systems) can create barriers to entry and preserve dominance.
- **Manipulating Market Perception:** Creating narratives around scarcity or the increasing value of a specific asset can drive up its perceived worth.

It's quite possible that the rank-order of a pie graph not included, so considering the generic case) could reflect these power dynamics. Assets favored by those in power might enjoy inflated valuations or preferential treatment, affecting their perceived net cost of ownership.

Discussion Points

- **Ethics of Power:** Is it ethical for those in power to manipulate systems to favor certain means of exchange or assets?
- **Equity:** Does this system create an inherently unequal playing field?
- **Hidden Costs:** What are the long-term implications of these choices on society, the environment, or future generations?