

“The Blueprint”

A Modest Monetary and Organizational Proposal for Re-launching the Economic Welfare of Communities

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Le rêve de l’anarchie est un rêve de forts—ou se croyant tels.

—Gabriel Tarde, *Les transformations du pouvoir*¹

¹ “The dream of anarchism is a dream for the strong—or for those believing themselves to be so,” Gabriel Tarde, *Les transformations du pouvoir* (Paris: Félix Alcan Éditeur, 1899), 27.

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THE QUESTION

Is it possible to create a system of production and exchange in which the exigencies of entrepreneurship, of the body social, and of a self-contained community are mutually and virtuously satisfied?

It seems impossible.

Why so? Because we find ourselves trapped in a particular sort of economic system to which no alternative is said to exist.

But the alternative does exist.

IMAGINE...

Let us imagine an organization thus structured: a group of producers bound to each other by a common and wholesome notion of growth, *and a communal mint*.

The communal mint is the key. Its function is that of issuing the currency.

How?

It may print it or create it electronically.

Let us consider the latter case: in a communal banking network, each member of the community is entitled to a checking account. Initially, according to experience, moral standing, and the size of his/her outfit, each entrepreneur is granted a line of credit. Unlike the standard banking practice, the extension of credit in this case is *not burdened by interest, and is therefore not prone to engender usury*. The entrepreneur may spend this amount by purchasing from other suppliers of the circuit, and thus fosters a sense of belonging not merely in the economic sense, but in the moral one as well.

In this fashion, the arrangement yields a double substitution: (1) money earmarked for jumpstarting economic activity may be obtained without usury; and (2) new consumers and suppliers have been brought inside the circle on the basis of spiritual affinity.

“COMMUNAL MONEY/COMMUNAL CURRENCY”

This currency is not the dollar, nor is it the euro; it is, as said, usury-free money, which may not be converted into other (usury-laden) currencies. It is a new sort of money, issued by the communal mint, and managed by the community's constituents.

The credit granted to the entrepreneur for exclusive use in the network will be expended partly in supplies and partly in wages. Thus remunerated, the worker will, in turn, spend the money anew in the circuit, feeding it for yet another round. Entrepreneurs are thus enabled, successfully, to close the circle by repaying the original debt, and offering thereby goods and services to the other members of the network.

The mint is at the very center of these exchanges: it facilitates a series of compensations by putting producers into contact with one another, and by guaranteeing that no one cheats the system (i.e., by spending the initial allotment and then failing to repay it through reciprocal creation of value).

The absolutely fundamental feature of the monetary mechanism is the following: the credits serially accumulated on the checking account are subject to a “negative interest rate,” that is to say, to a tax, which erodes the face value of such credits in real time: this means that this new money is perishable; in other words, it may not be hoarded, it may not be accumulated. By this “subterfuge” one forces money to be expended in order to fuel the real economy. The proceeds of this “negative interest” go the community, primarily for the management of the mint.

Within this new conception of money management, the act of *saving* acquires its true economic meaning, namely, that of *deferred consumption*. In other words, whatever an individual decides not to consume today, and is thus “laid in for a rainy day,” is still money representing (perishable) goods awaiting consumption: if the money is “hoarded,” that is, “hidden under the mattress,” the goods go to waste—hence the “expiration date” on the bills, precisely to prevent the waste. The role of a communal bank thus becomes pivotal in this phase—that of the investment—by which the banker *fights depreciation on behalf of the saver* by conveying the saved money, which is deposited in special savings account *remunerated at 0 percent*, to entrepreneurs with a view to building, say, a house, or whatever investment good is at that moment desired by the savers’ community. In light of the depreciative factor, even 0 percent becomes profitable. This is the erasure of hoarding and of usury.

THE CYCLES OF THE ECONOMY

More specifically, the entrepreneurs who ought to be eligible for the *first* credit allotment are those tied to the earth, that is, the farmers—and by “farmers” we mean cultivators and growers *relying solely on bio-dynamic, agro-biological methods*.

With these first-cycle harvests of food and forage, the community feeds itself; whatever is left over—that is, the *surplus*, the bountiful (extra-)yield of Mother Nature—goes to the sustenance of artisans and small-scale industries.

The money that flows in this fashion toward the realm of workmanship and industry stimulates, as in the case of agriculture, production and innovation. By the throughput of this industrial drive, the community acquires its technological equipage, whose sole purpose is to make people's lives easier and to extend as a result their leisure and free time.

What is left over from this ulterior surplus, of tools and techniques, will eventually flow in two separate directions. Logically, one flow is channeled into the productive apparatus itself for upkeep and technical amelioration. The other, instead, along with the first food surplus, is destined to fuel and animate the most important sector of society: the spiritual realm.

Economically speaking, this last phase is that of *pure donation*, in which money flows back to the origin by “irrigating” as it were all those structures that are essential to the survival of the community: kindergartens, schools, the arts, hospitals, cultural foundations, and venues of cult.

With the completion of a cycle—from farm credit all the way to the gifting in the spiritual-cultural sector—begins a new one, starting always with the communal mint.

“THE GIFT OF THE BEEHIVE”: A GIFT WITHIN THE GIFT

A just system ought to distribute wealth to all, to all those who are part of it, regardless of age or occupation: such is the acknowledgment that everyone is part of the same beehive, and that he or she is thereby entitled to spend an “extra buck” for his or her well-being however he or she pleases.

In the gifting phase, before it initiates another cycle via the agricultural sector, the mint deposits on each citizen's checking account a free credit worth around \$300, monthly. This unilateral gratuity—let us call it “the gift of the beehive”—is remitted as solidary and communal money: *this is money as a common good*. Thus tendered, it may further stimulate consumption and production, as well as give economic significance to lofty words such as: human rights, dignity, income, and solidarity.

By means of this additional monetary mass, likewise subject to a perishability tax of, say, 10 percent p.a., the system works toward building up, *progressively*, an equitable remuneration base for all, which completes the sequence of the basic cycle's three defining moments (agriculture, industry, and culture). “The gift of the beehive” may be initially allotted

as a minimum income and increase thereafter, cycle upon cycle, until it stabilizes at a figure consensually set down as fair and equitable.

“TIME-LIMITED PROPERTY”

Could we envisage a system of private property that allows entrepreneurial talent to flourish untrammelled without giving rise, on the other hand, to the exploitative excesses of contemporary business?

This would appear to be possible if one were to allocate private property on a “time-limit” basis, whereby access to vital natural resources and to large-scale factors of production is granted exclusively to qualified individuals and only in accordance with a set of end goals shared by all participating members of the economic community.

If the entrepreneur proves him/herself an incompetent, he or she is to be relieved of the resources’ management. Under no circumstance is the entrepreneur allowed to appropriate and bequeath what is, in fact, communal wealth. Such communal capital, by law, must be eventually returned to the community, which is thereupon expected to designate a successor of proven capability. In this fashion, the community may forestall those situations in which common goods run to seed because they have been entrusted to, and thereafter illegitimately appropriated by inept individuals.

“SELF-ENTREPRENEURSHIP” AS THE BASIS FOR BUSINESS AND REMUNERATION

That the factors of production should be put to use, via profit maximization, for the exclusive benefit of CEOs and shareholders is an organizational dogma of dubious socio-economic value. The reality nowadays is that there exist other *no less efficient*, yet human-friendly, organizational alternatives to the standard business approach. Several such alternatives have already been implemented.

One may propose to reshape industrial organization according to the following basic format. In order to avoid financial conflicts between ownership and management, the firm’s industrial property may be entrusted to a *foundation* or a similar separate legal entity (viz. a “partnership”), whose goal is to uphold the ethical mandate of the concern. Thus the firm is legally prohibited from becoming the indiscriminate, undifferentiated object of lucre-driven mergers and acquisitions. The foundation functions as the institutional intermediary between the community and the

company: its board elects the entrepreneurial team and entrusts it with the capital; it also ensures that the firm's profits are justly distributed (as dividends) to all workers and that any surplus cash is channeled donatively into a variety of charitable, "spiritual" activities. In this setup, the firm's employees are not the members of a cooperative, but rather "entrepreneurs of themselves" and, all of them, legitimate owners of the concern: within the assigned radius of his or her function, the worker is free to perform the task and/or solve the problem however he or she sees fit. Pay is set in correspondence with the level of responsibility attached to the particular role and function assigned, and always within a remunerative range unanimously agreed upon by all the members of the firm.

In general, the company's profits, minus research and development expenses, should be divided among the collaborators, and between these and the foundation according to democratically-voted criteria. Special supervisory organs are concomitantly assigned to verify that no illicit opportunities for personal gain may form within the structure of the firm itself.

It is often the case that firms thus organized associate with one another, incorporating "for-profit" with "non-profit" concerns. The former provide the means with which to sustain the latter. The cultural and social goals of the latter (non-profit), on the other hand, provide motivation to the workers employed in for-profit outfits, who likewise recognize themselves in those same ethical values. For instance, a group of commercial enterprises may consort in order to support a therapeutic institute or a private school.

Outfits thus structured may expectantly and confidently commit their resources over the medium/long term because they are free from the obsessive imperative to turn over investment capital as swiftly as possible for the exclusive advantage of an external board of absentees.

EARTH, MOTHER

We are murdering the earth: we are doing it daily by overusing by 50 percent the resources that our planet is capable of regenerating in order to satisfy our consumption needs.

Modern economic theory looks upon nature as a "commodity." This is a figment. A commodity is a product that one fashions for the market with the goal of seeing it consumed. But planet earth is not our product, nor is its goal that of being consumed by us.

We must imitate nature by reproducing its essential processes—processes which are founded on three principles: zero waste, solar energy, and diversity and symbiosis.

Nature is programmed like a zero-waste system. Every output is an input to something else. In nature, there is no such thing as "waste." The human economy, on the other hand, is rife with "trash," mountains thereof. Considering the environmental impact of refuse mounding at the going rates, we should be reducing our consumption load by 80 percent. Nature, for her part, operates on the principle of 100 percent renewable energy.

The cells of living organisms, much like human economies, necessitate an external energy source. Yet unlike economic systems, which rely principally on the combustion of fossil fuels, cells turn to sunlight as their renewable source of energy. And did not the sun generate clean and "cold" energy when it once was bottled in a calorimeter?

All ecosystems are based on the principles of diversity and symbiosis: different species cooperate in symbiotic and harmonious fashion. Industrial production, on the other hand, foments mono-crops and yield-maximizing processes that by weakening the system's *resilience* make it vulnerable to de-vitalizing disturbances.

The farmers and agriculturalists of our project inhabit a landscape governed by these principles: the ideal model is that of the *bio-dynamic farm*. A bio-dynamic farm is characterized by the absence of importation (viz. closed-circuit cycle), zero waste (the output of a sector serves as input to another), diversity (crop rotation and diverse ecosystems instead of intensive mono-cultivation), and a symbiotic relationship with all the elements of the wider living system.

REINVENTING CONSUMPTION

The massive squander of resources we are witnessing today is also due to the fact that the "consumer" is placed at the very end of the production/consumption process. So long as he or she is thus positioned, a torrential flow of products is systematically shoved down the throat of the "client," whose attention span is ever more intensively "captured" and thereupon swayed by the billion-dollar marketing outfits of the corporate apparatus. Needs are thus created, rather than fulfilled.

The strategy for improving our well-being without laying waste to the planet should be directed at suppressing tidal waves of useless objects as well as the ceaseless diffusion of vacuous commercial advertisements. One would thus need to operate within a production/consumption cycle that no longer separates: (1) consumers from the productive process, (2) all

consumers from one another, and (3) consumers from themselves (i.e., from their own source of happiness).

In order to effect this change, the economy needs different communication models, especially between consumers and producers. Today's prevailing communication format is unilateral, and non-transparent. What would it take, then, to promote a community of knowledgeable and collaborative consumers? Four elements may be leveraged to achieve this.

The first is *technology*. The World Wide Web—the “net”—already allows one to monitor the environmental impact of products on the market shelves. There are moreover online services that, within a community, are designed to facilitate the circulation of unused resources (especially clothing and housing) among consumers whose needs have yet remained unsatisfied; the websites hosting such services are set up for direct exchanges between individuals (“peer-to-peer”).

The second is *awareness*: in fact, plenty of diffuse and wide associations have arisen to promote and provide services related to health, the environment, social justice, personal development, and models of sustainable life.

Third, the growing disorder and forthcoming collapse of obsolete systems may play to reform's advantage. The older is the incumbent grid of business enterprise—garnished as it may variously be by the enormous and unwarranted (economic as well as political) rents that have accrued to it—the higher is the chance of witnessing the emergence of new societal models characterized by spontaneous collaboration and a proclivity to ramify.

A fourth driving force is connected with economic human rights. More and more people are finding it downright unacceptable that in a world economy capable of generating a composite product of around 70 trillion dollars we have not yet been able, in a systematic fashion, to mitigate, let alone efface altogether, the utter indigence of billions of “poor” individuals (the so-called bottom of the pyramid).