

# Level - 7

## Tools For A New Political Economy

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**\*\*\*\* This website is frequently updated. Please email feedback [HERE](#) \*\*\*\***

A January, 2018 PDF capture of the entire website (with Table of Contents and navigation links) is available as a **9.9 Mbyte download** here: [Level 7 Overview](#)

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## Welcome to a Level 7 Political Economy



Working together, we can repair a broken world. This website, created as an educational resource for activism and policy development, defines some of the existential threats to a thriving, sustainable and egalitarian political economy in the U.S. and globally, and offers proposed solutions, philosophies and resources to remedy our downward spiral. These proposals are all in ongoing development and open to input, discussion, testing, refinement and expansion. *This is meant to inspire first steps in participatory design and implementation of long-term solutions.*

To appreciate the goals and origins of a Level 7 political economy, please visit the [L7 Philosophy page](#).

*Special thanks to David MacLeod, Ernie Bornheimer, Mark Edward Niblack, Trevor Malkison, Jennifer Grove, Scott GrantSmith, Jeff Wright, Steven Douglas Daly, Eric Pierce, Bill James, Scott Debenham, Steven Littles, Charmaine Smith-Campbell, my wife Mollie and my siblings Sam, Karin and Kirsten, and the many exchanges on Quora.com that likewise sharpened my thinking around these topics.*

To begin, here are the draft

## Articles of Transformation for a Level 7 Political Economy

## Article I:

*Concentrations of Wealth, Their Disruption to Democracy and Proposed Remedies*

## Article II:

*Failures of Representative Democracy to Serve Its Electorate, and the Need for Expanded Direct Democracy and Civic Engagement at the Community Level*

## Article III:

*Unsustainable Depletion, Destruction and Pollution of Natural Environments, Resources and Ecosystems, and the Practices and Policies Necessary for Sustainable Systems*

## Article IV:

*Exploitation and Deception Of, and Injury To, the Worker-Consumer Class by the Owner-Shareholder Class, and the Consequent Necessity of Worker or Common Ownership of Production*

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## Article V:

*The Toxic Dangers of Ignorance, Moral Immaturity and Misinformation in a Functional Democracy, and the Need to Create Countervailing Informational and Educational Institutions*

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## Article VI:

*Establishing a Social Credits System and Infrastructure and Essential Services Framework*

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## Article VII:

*The Relationship Between Property Position, Individual Liberty & Civic Responsibility*

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## Article VIII:

*Replacing Individualistic Materialism with Collective Egalitarianism in Competitive Markets*

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## Article IX:

*Restructuring the Banking and Monetary Systems, and Reforming International Trade Relations*

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## Article X:

*Ending Militarism and WMD*

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## Article XI:

*Equalizing Feminine and Masculine Power, Ending Institutional Bias, and Other Social Justice Considerations*

## Article XII:

### *Normalizing Public Mental, Emotional and Spiritual Health as Integral to Holistic Health*



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### Article I

## Regarding Concentrations of Wealth, Their Disruption to Democracy and Proposed Remedies

### Problems To Solve

Arbitrary, self-serving, self-perpetuating concentrations of wealth and power that create a de facto "ruling class" of owner-shareholders that undermines democracy. This is primarily due to:

- Inherited material assets and cultural capital maintain wealth inequality
- Illicit enlargement of capital via political cronyism, clientism and regulatory capture
- Extraordinary and widening income inequality
- Engineered disruption of economic mobility through subsistence wages, increased debt burden, and dependent consumption
- Sabotage of democratic process via political campaign financing, gerrymandering, media capture and voter disenfranchisement
- Insulation of corporate holdings and accountability through corporate personhood and pro-corporate judicial activism
- Monopolization and consequent disruption to constructive competition and innovation
- Aggressive promotion of [neoliberal agenda](#) via media, democratic processes, public policy and all branches of government

## Proposed Solutions

1. [Disrupt "business as usual" & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
3. [Institute greater direct democracy at all levels of government](#)
4. [Create citizens councils via civic lottery](#)
5. [Limit all political campaigns to public funding & a cap of gifted media advertising](#)
6. Migrate away from shareholder ownership of production to common and [worker ownership](#)
7. Eliminate [corporate monopolies](#)
8. Establish collective and transparent deliberation over industry-wide salaries and highest-to-lowest pay ratios (via some combination of direct democracy, citizens councils and worker voting)
9. [Create new community-centric schema & structures for enterprise](#)
10. [Subjugate profit incentives to civil society](#), rather than civil society to profits.
11. Create non-profit infrastructure & essential services sector of competing enterprises & [social credits](#) system (i.e. a [Universal Social Backbone](#))
12. [Enlist the wealthiest elite as change agents](#)
13. Institute 30% tithe on all inheritance and migrate away from private ownership towards common ownership (i.e. a [Level 7 property position](#))
14. [Reform the stock market & fiat money](#), and end speculation without value (see [Article IX](#))

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
- Commons-Centric Production and [Worker-Ownership](#)
- Collective Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))
- Minarchy, [Subsidiarity](#) and [Polycentric Governance](#)

Egalitarian Efficiency & Diffusion

- Sustainable Design
- Critically Reflective Participatory Action
- Revolutionary Integrity
- Ending the Tyrannies of Monopoly and Private Ownership
- Change in Property Orientation and Valuation
- Self-Nourishment and Moral Evolution
- Precautionary Principle & Pilot Principle



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## Article II

**Regarding the Failures of Representative Democracy to Represent or Serve its Electorate, and the Need for Expanded Direct Democracy and Civic Engagement at the Community Level**

### Problems To Solve

## L7 Democracy

Elected representatives represent special interests, corporations and the wealthy rather than the electorate

- Individual voters feel profoundly disconnected from a highly abstracted political process, resulting in a felt reality of “taxation without representation”
- Crony capitalism and clientism have captured regulation and bent all branches of government to neoliberal and corporate agendas
- Gridlock in state and federal legislatures has undermined voter confidence in the efficacy of government
- Representation in state and federal government has been gravely distorted by excessive gerrymandering
- Two-party polarization and in-group/out-group tribalism and demonization has crippled effective governance
- The electoral college and primary systems do not fairly or accurately convey the will of the people in both candidate and platform competition and selection

## Proposed Solutions

1. Hold elected officials accountable via referenda
2. [Institute greater direct democracy at all levels of government](#)
3. [Create citizens councils via civic lottery](#)
4. Utilize [citizens assemblies](#) (also created via civic lottery) on an as-needed basis at all levels of government
5. [Limit all political campaigns to public funding & a cap of gifted media advertising](#)
6. Institute universal [algorithmic redistricting](#) for U.S. elections
7. Eliminate the electoral college completely, if necessary via [Constitutional Amendment](#)
8. Revamp primaries so that more candidates, parties and perspectives can compete on a level playing field
9. Reform judicial elections, appointment process & terms to increase independence of judiciary
10. [Advocate grass-roots non-governmental civic institutions focused on community engagement](#)

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### Article III

**Regarding the Unsustainable Depletion, Destruction and Pollution of Natural Environments, Resources and Ecosystems, and the Practices and Policies Necessary for Sustainable Systems**

### Problems To Solve

**Irreversible destruction of countless species, ecosystems and non-renewable natural resources, mainly as a result**

of:

- Unrestrained, organized corporate greed that disregards known negative externalities
- Unintended consequences of rapid technology development and deployment in concert with undisciplined resource exploitation
- Explosive growth of human populations and economies, with ever-enlarging concentrations of human habitation and industry
- The idealization and spreading adoption of U.S.-style consumerism and conspicuous consumption
- Individual, corporate and collective [superagency](#) enabled by increasingly sophisticated, powerful and proliferating technologies, *without concurrent moral development or civic accountability*
- The perpetual expansive pressures of [growth-dependent capitalism](#) and unsustainable consumption habits
- Disruptive and chaotic climate change influenced by human activity
- Careless and accelerating chemical, radioactive, electromagnetic and particulate pollution of natural environments

## Proposed Solutions

1. Inspire environmental consciousness (via the [unitive principle](#), integral practice and ongoing education)
2. Implement the [precautionary principle](#) at all levels of decision-making regarding technology production, resource utilization and public policy
3. Slow down growth-dependent economies and encourage localized, diverse and distributed interreliance of commerce and production, rather than homogenized centralization
4. Phase out unsustainable and destructive consumption (overconsumption of energy, beef, water-intensive crops, products requiring deforestation, etc.)
5. [Encourage adoption and discourage reproduction](#)
6. Develop highly distributed, eco-synergistic energy practices and retire fossil fuels
7. Establish [community-centric self-regulation](#) of industry and common resource utilization via direct democracy and citizens councils
8. Learn from Nature's mutually supportive patterns, and replicate them in the humanity-ecology relationship

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### Article IV

**Regarding Exploitation Of, and Injury To, the Worker-Consumer Class by the Owner-Shareholder Class, and the Necessity of Worker or Common Ownership of Production**

### Problems To Solve

The amplification of destructive production and consumption that benefits the ruling class (owner-shareholders)

### **while increasing burdens and injuries for the non-ruling classes (worker-consumers):**

- Exploitation of natural resources and labor, often at the expense of the well-being of workers, local communities and surrounding ecosystems
- Socialization of business risk and public funding for research and development of profit-making innovations
- Rewarding pathological behavior (i.e. “business as usual”) and divorcing business ethics from prosocial norms
- Privatization of public goods
- Engineering artificial demand through marketing and advertising, as complemented by concurrently engineered scarcity

### **Pervasive, devastating and self-amplifying injury to all human beings, and most acutely the non-ruling (worker-consumer) classes:**

- Toddlerization and infantilization of consumers - creating excessively dependent consumers who cannot care for themselves and externalize all problems and solutions, then become habituated to chronic consumption and commercialized addictions around those commodities
- Accelerating changes in technology and a forceful expectation for everyone to adapt to them immediately
- Enticement and reward for operating at the lowest common denominators of moral function (animalism)
- Ever-expanding marginalization, disenfranchisement, criminalization and incarceration of anyone who challenges the capitalistic status quo, or who can't (or won't) operate within it
- Snowballing physical and psychological diseases and dysfunction directly attributable to commercialized programming of diets, stress and conspicuous consumption

### **Increasingly global homogenization of human culture, caused by:**

- Greater economies of scale through monopolization and mass production
- Lowest-common-denominator marketing appeals
- Allure of U.S.-style consumerism and its inherent “newer-is-better” frenetic meme
- Technological standardization and proliferation

## **Design Principles Applied to Create More Distributed & Diffused Wealth & Power**

1. [Disrupt “business as usual” & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
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6. Eliminate [corporate monopolies](#)
7. [Create new community-centric schema & structures for enterprise](#)
8. Create non-profit infrastructure & essential services sector of competing enterprises & [social credits](#) system (i.e. a [Universal Social Backbone](#))

9. Enlist the wealthiest elite as change agents
10. Migrate away from private ownership towards common ownership (i.e. a [Level 7 property position](#))

## Design Principles Applied

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### Article V

**Regarding the Toxic Dangers of Ignorance, Moral Immaturity and Misinformation in a Functional Democracy, and the Need to Create Countervailing Informational and Educational Institutions**

#### Problems To Solve

Distraction and misinformation of the oppressed non-ruling classes (worker-consumers) by the ruling owner-

## shareholder class — with bread and circuses, propaganda and truth-discrediting tactics, which continuously rejuvenate themselves in new and spectacular forms:

- Artificially generated populist narratives that equate “freedom” to the enlargement of corporate control and dependency, attenuation of public civic institutions, and voting against one’s own expressed values and interests (see [neoliberal agenda](#)); then associating nationalism, religious correctness and conservatism with blind ideological conformance to these narratives
- Vilifying intellectualism, liberal arts disciplines, publicly funded scientific research, higher education and the public education system, so that these institutions can be dismantled or privatized, and the electorate can thereby be made increasingly ignorant and gullible
- Perpetual creation or amplification of scapegoats in mass media to redirect public discontent away from corporatocracy — *big government, terrorists, illegal immigrants, gay marriage, abortion, Muslims, etc.*
- Grooming champions of these disruptive narratives, ideologies and approaches to be elected or appointed to public office, succeed in corporate America, or gain prominence or celebrity status in mass media
- Allowing information sources and media *essential to a functional democracy* to be coopted, corrupted and distorted by nefarious actors (troll farms, foreign governments, propaganda, fake news, etc.)
- An endless diet of multimedia entertainment, advertising, celebrity creation and yellow journalism as part of an ongoing [spectacle](#) to anesthetize the masses
- Corporate capture of mass media to “control the message” via news outlets and talk shows
- Educational environments that inspire conformance, regurgitation and black-and-white reasoning, rather than curiosity, critical thought, and appreciation of nuance and complexity
- Selective sorting, presentation, promotion and exclusion of Internet-based information via for-profit search engines that commoditize users and prioritize consumerism over knowledge and truth
- Influential emergence of *news as ideological propaganda* after revocation of FCC Fairness Doctrine in 1987

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

1. [Community Coregroups](#) that encourage civic engagement, collective egalitarianism, multidimensional nourishment and moral maturity
2. K-12 multidimensional self-care training ([Integral Lifework](#) or other) that likewise encourages civic engagement, collective egalitarianism and moral maturity
3. Curricula that return to liberal arts and [fine arts emphasis](#) in balance with STEM disciplines, and inspire a critical thinking, curiosity and evidence-based mindset without excluding creative, intuitive and spiritual input streams
4. Creation of a [Public Information Clearinghouse](#) (PIC) with multidimensional analysis of all raw data, information sources, and settled knowledge (this would ultimately replace Google or other commercially-driven search engines)
5. Establishing the [Fourth Estate](#) as a formal watchdog branch of government via [Constitutional Amendment](#), with a mandate to uphold standards akin to the [Fairness Doctrine](#); populated with independently elected [journalistic technocrats](#) who cannot hold other public office, and whose terms substantially overlap other elected offices; influenced by daily direct democracy, citizens councils and citizens assemblies — just as the other branches of government would be

## Design Principles Applied

- [Expanded Direct Democracy in All Levels of Government](#)
- Collective Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))
- [Sustainable Design](#)
- [Critically Reflective Participatory Action](#)
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### Article VI

## Regarding the Establishment of Social Credits and an Infrastructure and Essential Services Framework

### Problems To Solve

Regarding infrastructure and essential services that are frequently socialized or regarded as fundamental staples

of civil society, State-centric institutions and processes often induce bureaucracy, inefficiency and poor service levels, while privatization often increases cost, exploitation and [public injury](#).

Infrastructure and essential services are often taken for granted as rights or entitlements that do not require any clear reciprocation. This contributes to over-utilization and dependency, to the demoralization of service providers, and to resentment and criticisms of the "Nanny State."

The tug-of-war over production of public goods often leads to clientism, cronyism, and other disruptions to democratic processes.

## Proposed Solutions

1. Create networks of non-profit community organizations, government entities and non-governmental institutions that compete to provide infrastructure and essential services: a [Universal Social Backbone](#)
2. Institute a system of [social credits](#) for utilization of infrastructure and essential services that is *tied to civic participation*

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

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## Article VII

### Regarding the Relationship Between Property Position, Individual Liberty & Civic Responsibility

#### Problems To Solve

#### The [tyranny of private ownership](#):

- Arbitrary and capricious valuation of goods and services

## L7 Property – Liberty – Responsibility

- Private accumulation that dictates how common resources are utilized
- Interference with personal and collective freedoms
- Wealth concentration (see [Article I](#))
- Amplification of individualistic materialism (i.e. moral immaturity)

## Proposed Solutions

1. Progressive implementation of [Level 7 property position](#) and [common property shares](#)
2. Creation and maintenance of an *holistic value* reference index for goods and services, as a combined effort of all four branches of government, with periodic public feedback and moderation
3. Link [social credit](#) accumulations and utilization to civic participation
4. Diffuse institutional authority, distributing local decision-making to community-level organizations
5. Elimination of [corporate monopolies](#)
6. [Community Coregroups](#) to advocate shared values, the unitive principle and moral maturity

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### Article VIII

#### Regarding Replacing Individualistic Materialism with Collective Egalitarianism in Competitive Markets

#### Problems To Solve

- Extraordinary deception and exaggeration in advertising and reliance on "caveat emptor" justifications

## L7 Egalitarian Competition

Creating or amplifying consumerist mindset and dependency on external solutions

- Careless and injurious “rush to market” mentality that disregards negative externalities, risks to consumers, etc.
- Increasing isolation and alienation of individuals from their communities
- Predatory or unethical ends-justifies-means anticompetitive business practices
- Abuse of legal system to enhance marketshare (patent trolling, frivolous lawsuits, etc.)
- Monopolization that disrupts healthy innovation and competition
- [Conspicuous consumption](#) resulting in excessive waste, unhealthy acquisitiveness and unsustainable resource depletion
- Targeting of vulnerable youth (children, teens and emerging adults) with harmful products, advertising and consumerist conditioning

## Proposed Solutions

1. Embed links in all advertising to [PIC](#) fact-checking on advertisement's claims (...and possibly product reviews and comparisons as well?)
2. Disallow any and all advertising that targets vulnerable youth (including product placement or promotion in children's media)
3. With the exception of new innovations (which have a grace period while other producers catch up), cap marketshare and production capacity on any well-established product or service at 25%. Technologies and approaches that prove to have ubiquitous application and real-world superiority to everything else should be considered for integration into the [Universal Social Backbone](#).
4. Inclusion of [holistic valuation](#) in product development, licensing and regulation in accordance with the [precautionary principle](#)
5. Accountability of local businesses to the communities in which they operate via [daily direct democracy](#), CDCs, citizens councils, and community NGOs
6. Reconfiguration of goods and services production according to a Level 7 [enterprise schema](#), and encouraging [friendly competition](#) between these enterprises
7. [Reframing profit](#) itself to better reflect the values of an egalitarian civil society

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

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### Article IX

#### Regarding the Restructuring of Banking and Monetary Systems, and Reforming International Trade Relations

#### Problems To Solve

The electorate has little influence over banking and monetary systems, or over international trade relations, which

**has resulted in:**

- Regulatory capture of SEC by self-serving corporate interests
- Runaway leveraging and other unbacked credit risk
- Exploitation of developing countries (IMF and World Bank [structural adjustment programs](#))
- Financialization of economy and runaway speculation and derivative instruments
- A fractional reserve system that inherently undermines and destabilizes fiat currency (requires deposit insurance, etc.)

**Banking and monetary systems encourage socialization of risk, privatization of profits, and ever-increasing levels of debt**

## Proposed Solutions

1. Return strategic control of monetary policy, banking practices and international trade practices and agreements to the people - via [direct democracy](#), citizens councils and networks of member-owned credit unions, while allowing tactical administration of the same by [elected technocrats](#)
2. Ultimately the goal would be to close down Wall Street entirely. Short of that, in parallel to transitioning to member or [worker-ownership](#) of all businesses so that they are primary/majority shareholders, scale back (and in some cases eliminate altogether) public stock offerings except in instances of disruptive innovation startups that require startup capital, and restrict all such offerings to minor percentages of shares, held for set periods of time, specifically to discourage speculation
3. End derivative investment instruments and automated trading, then limit both the volume of public shares for a given enterprise that can be traded, and the number of times each share can be traded over a specific interval of time
4. Eliminate trust-debt relationships with respect to currency and decentralize currency issuance via the digital domain. Instead of fiat money, allow distributed creation of representative money backed by [commonly held non-leveraged semi-fungible assets](#)
5. Eliminate systems of credit over time by migrating more and more property away from private ownership to common ownership status, while at the same time promoting community-centric democratic control of all property. For example: if mass transit is sufficiently widespread and reliable to eliminate the need for privately owned vehicles, most housing and agricultural and commercial real estate are made available through [Community Land Trusts](#), and initial investments in new enterprises are in largest part held by member or workers as tradable common property shares, then the necessity of credit would be precipitously reduced
6. Eliminate IMF and World Bank exploitation of developing countries, and instead implement [interdependent micro and macro programs](#) that encourage sustainable self-sufficiency, enhanced democracy, and other Level 7 approaches and institutions among countries who ask for assistance
7. Favor a stable exchange rate and independent monetary policy over free capital flows internationally

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
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## Article X

### Regarding an End to Militarism and WMD

#### Problems To Solve

The endangerment of all life on Earth through the constant striving of nation states to gain the upper economic hand using (or threatening to use) militarism or weapons of mass destruction. This is frequently a consequence of:

- A thriving military-industrial-congressional complex
- War-profiteering by those with a [neoliberal agenda](#) who infiltrate government institutions
- Individualistic materialism (i.e. moral immaturity) that justifies individual and collective aggression
- Permeating “culture of violence” within entertainment, communities and institutions

## Proposed Solutions

1. Lead by example (attenuate international militarism and WMD development and stockpiles)
2. Constitutional amendment that 1) disallows unilateral military aggression; 2) creates [two-stage direct democratic control](#) over military budgeting and all military actions; and 3) bans all military actions against domestic and foreign civilian targets
3. Criminalize war profiteering
4. Disassociate the use of military force from the establishing, protecting and maintaining of economic resources and activity
5. Attenuate the militarization of domestic law enforcement, and decriminalize all forms of public nonviolent resistance
6. Link the quality, orientation and extent of trade relations with international peers to their demonstrated societal moral development (inclusive of evidenced militarism and WMD development and stockpiling)
7. Engage the causes of terrorism and asynchronous warfare via their cultural and economic roots, rather than via military conflict
8. Create alternate, nonviolent, collectively binding mechanisms for conflict resolution, law enforcement, correctional institutions and resolution of international disagreements

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

- [Expanded Direct Democracy in All Levels of Government](#)
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## Article XI

### Regarding the Equalization of Feminine and Masculine Power, Institutional Bias, and Other Social Justice Considerations

#### Problems To Solve

Persistent [disempowerment and denigration of women and feminine power](#), in order to amplify the positional

### **privilege of men and the primacy of masculine power, as evidenced by:**

- Male-dominated institutional control of women's reproductive rights
- Unequal pay between genders for equivalent work
- Low representation of women in institutional leadership
- Sexual harassment, sexual objectification and rape of women
- Denigrating attitudes and language towards women as a cultural norm
- Systemic disrespect for feminine power, and safeguards protecting masculine power

### **Institutional amplification of racial, gender and economic inequality:**

- [Structural racism](#), sexism and classism (examples: [housing policies](#) that negatively impact low-income, minority and inner city populations; ethnic marketing of [unhealthy](#) and [addictive](#) consumables; excessive incarceration of minorities and targeting by law enforcement; gender inequality in how child support and custody are awarded, or how rape and domestic violence are perceived and remedied, etc.)

## **Proposed Solutions**

1. [Reframing profit](#) so that it amplifies egalitarian, cooperative and integrative values rather than systemic classicism, racism and gender bias.
2. Only women can vote on women's reproductive rights (at any level of government)
3. Institute goal of 50% female representation in institutional leadership - as reward for merit - with aggressive timeline for implementation
4. Investigate efficacy of chemical castration (with variable duration based on offense) as a mandatory component of sentencing for anyone convicted of rape or other sexual offense
5. Equal compensation for all genders and sexual orientations of equal ability - period
6. Promote [interculturalism](#) in features of the Universal Social Backbone, direct democracy, citizens councils and public policy - rather than reinforcing cultural divisions and isolation in civic/economic institutions
7. [Community Coregroups](#) to advocate shared values, the [unitive principle](#) and moral maturity
8. Diffuse institutional authority, distributing local decision-making to community-level organizations
9. [Criminal Justice System reform](#), and other changes to the rule of law
10. An equal focus on remedies for systemic disadvantages for men that also reflect inappropriate bias - in custody, paternity, child support, domestic violence, sentencing, etc.

## **Design Principles Applied to Create More Distributed & Diffused Wealth & Power**

- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
- Collective Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))

## L7 Equalization of Power

- Minarchy, [Subsidiarity](#) and [Polycentric Governance](#)
- [Egalitarian Efficiency](#) & Diffusion
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### Article XII

#### Regarding the Normalization of Public Mental, Emotional and Spiritual Health as Integral to Holistic Health

#### Problems To Solve

Accelerating increases in mental, emotional, spiritual and physical maladies caused by stresses, pollutants, diets

## and habits of modern capitalist society.

- Expression of latent genetic dysfunction via stress-induced phenotypes, with phenotypical iteration and expansion in subsequent generations
- Epidemic increases in Type II Diabetes
- Disregard for, and stigmatization of, mental illness
- Commercial amplification of self-destructive habits and dependencies
- Fee-for-service healthcare and private insurance model inflate costs and induce perverse incentives

## Proposed Solutions

1. Institute prophylactic mental, emotional and spiritual well-being (i.e. development of healthful, self-nurturing habits) similarly to the way preventative physical self-care is already promoted
2. Encourage self-sufficiency in all dimensions of self-care instead of externalized dependencies
3. Integrate all healing disciplines (consider [Integral Lifework](#) triage model)
4. End fee-for-service model of healthcare, folding all health services into the [Universal Social Backbone](#) and focusing on holistic/multidimensional health outcomes

## Design Principles Applied to Create More Distributed & Diffused Wealth & Power

- Collective Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))
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## Level 7 Philosophical Framework



My development of [Integral Lifework](#) over many years began hinting at how a Level 7 economy could take shape, and writing *Political Economy and the Unitive Principle* in 2013 was the first glimpse of a more well-rounded vision. You can read a searchable online version of the book [here](#), you can download a DjVu copy [here](#), or you can purchase e-book or paperback editions [here](#). Since that time, additional discussion, feedback, research and writing has continued to expand the foundations of an alternative political economy, resulting in the launch of this website in 2016, and it's ongoing expansion and refinement.

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## What Are the Core Design Principles of a Level 7 Political Economy?

The following list of core design principles provides links to a more in-depth discussion of each idea. The essential aim of Level 7 is to transition to more ***distributed and diffused*** systems of governance and economic opportunity — that is, to move away from institutions and traditions that concentrate wealth and power in order to remedy the corruption of democracy and economic fairness so prevalent in the world today.

- [Self-Nourishment and Moral Evolution](#)
- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
- Commons-Centric Production and [Worker-Ownership](#)
- Minarchy, [Subsidiarity](#) and [Polycentric Governance](#)

Collective, Egalitarian Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))

- [Egalitarian Efficiency](#) & Diffusion
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## Where did the philosophy behind a Level 7 Political Economy originate?

These ideas coalesced over a number of years as an outgrowth of studying how moral development, economics, traditional philosophy, cultural values, history, politics and democracy have generated and intersected within political economies over time. The influences have been broad, but include these contributions and considerations:

### ***Influential Concepts***

- Elinor Ostrom's research on [common pool resource management](#) that arose organically around the globe, and which helped inform the shape of polycentric governance.
- Aristotle's elaborations on [virtue ethics](#), especially as they intersect with democracy, commerce and political obligation.
- As a response to pervasive corporate oligarchy and its destructiveness to both democratic civil society and planet Earth - as extensively exposed by Noam Chomsky, Naomi Klein, Chris Hedges, Yanis Varoufakis, Greg Palast, George Monbiot, and others.
- Integrating lessons learned by Alec Nove about the failures of State socialism and potential remedies.
- Consideration for the varied insights and vision of many other economists, such as Thorstein Veblen, E.F. Schumacher, Thomas Picketty, Karl Marx and Amartya Sen.
- Howard Odum's concept of Earth as a closed or isolated ecological system, subject to the laws of thermodynamics and cycles of energy transformation, and the consequent development of approaches by David Holmgren, Peter Pogany and others to operate sustainably within such a system.
- Paulo Freire's emphasis on an inclusive, participatory, dialogical educational process to bring about social change through individual self-empowerment and [critically reflective participatory action](#) (critical pedagogy and praxis).
- A [convergence of ideas and evidence](#) encountered in moral philosophy, theories of human development, spiritual disciplines, enduring works of art, neuroscience and evolutionary biology around the [centrality of prosocial behaviors](#) as the basis for human society and collective survival.

- Paul Piff's research on the deleterious effects of wealth, greed and social status on social relations.
- Adam Smith's warnings about the *dangers of monopolies*.
- The selective merits of various [libertarian socialist](#) and [social anarchist](#) proposals (see also [An Anarchist FAQ](#) for additional elaboration on social anarchy).
- Employing [Ken Wilber's AOAL schema](#) to help define what *integral liberty* should look like.
- Proven advantages of member-owned and [worker-owned cooperatives](#) over shareholder-centric institutions and management.
- The importance of the *pilot principle* — along with its *precautionary principle* corollary — in considering all activism or when implementing any solution.
- The demonstrated advantages and historical precedents of *subsidiarity*, *horizontal collectivism* and *egalitarianism*, and the observation that *all concentrations of wealth and power are destructive to democracy and economic freedom*.
- [Implementations of direct democracy in Switzerland](#), installed in parallel with representative democracy (and holding those elected officials accountable).
- A re-engagement of *civic responsibility*, first and foremost *at the community level*, via both governmental and non-governmental institutions.
- Relying on *evidence-based* solutions that are customized to regional and local differences (rather than trying to impose homogenized conformance).
- The exhortations and warnings of philosophers and activists throughout history that the methodologies, values, prejudices and attitudes embodied in any movements or activism will persist into the institutions and cultural norms that emerge out of that revolution; I call this *revolutionary integrity*.

### **Original Ideas & Supportive Insights**

*(To appreciate how many of these elements interrelate, I recommend reading [Integral Lifework Concepts, Tools & Assessments](#) as an in-depth overview, and [Integral Lifework Developmental Correlations](#) for a summarizing snapshot)*

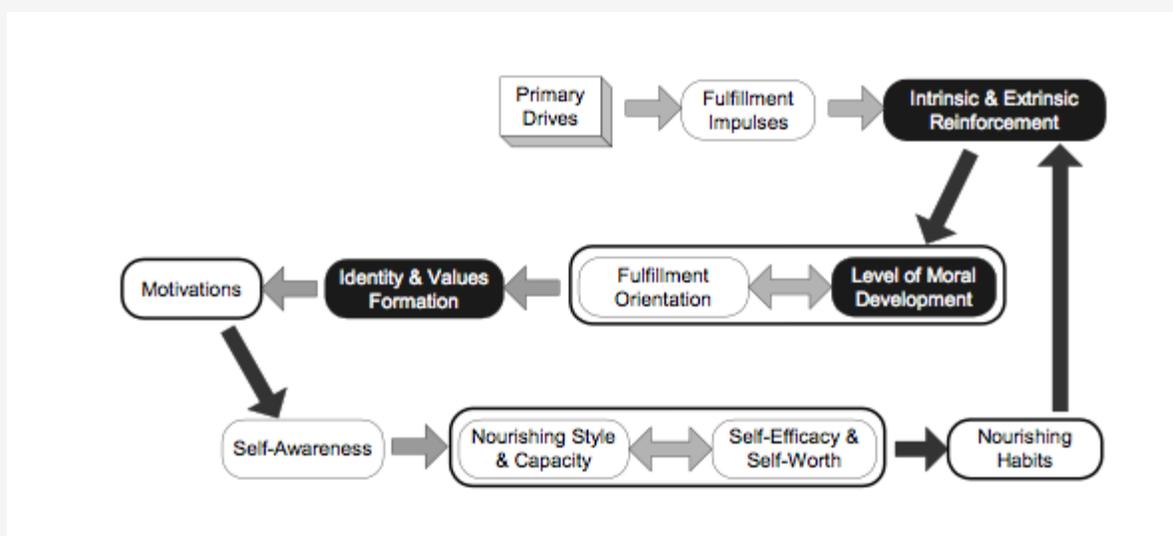
- That [multidimensional nourishment](#) (both individually and collectively, in widening circles of intention and action) creates critical support structures for moral development, and that moral development, in turn, *is a critical support structure* for an advanced political economy.
- The acknowledgement of a [unitive principle](#), evident in nearly all philosophical and spiritual traditions — and supported by research into group selection and the evolution of prosocial traits — that identifies loving kindness as the fundamentally binding force in social cohesion, organization and development.
- The criticality of developing and reinforcing personal and collective [functional intelligence](#) — especially in terms of values alignment between our personal life, social mores, cultural traditions, and our economic, legal and political systems.
- An emphasis on consciously engaging our [moral creativity](#) to shape civic institutions that support our values.
- That [capitalism is profoundly antagonistic](#) to social cohesion and moral development, and that

## Level - 7 Philosophy

*individualism* and *materialism* — especially as championed by [neoliberalism](#), Right-Libertarianism, and Randian objectivism — aggressively counteract the unitive principle.

- Redefining [property position](#) in terms of the *type of ownership*, *functional abstraction layer*, and an *holistic valuation* (that includes use value, externalities and effective nourishment capacity), as a central building block of a Level 7 economy.
- The importance of [multidialectical synthesis](#) in addressing complex systems as both an individual, interior discipline and as a collaborative, participatory process.
- Other unique features of a Level 7 political economy, such as [daily direct democracy](#) and the Public Priorities Database, a [social credits](#) with accountability system, a [Public Information Clearinghouse](#), diffused currency issuance backed by [common property shares](#), etc.

## What is the role of Integral Lifework?



[Integral Lifework](#), as a form of self-enriching and self-empowering multidimensional nourishment, was initially created as a form of holistic self-care. Over time, it became clear that Integral Lifework practice had a profound impact on development and transformation in nearly every aspect of being, and that this transformation had a natural tendency to radiate outwards into larger and larger arenas of action and intention. Of critical importance to models of an advanced political economy, Integral Lifework naturally encourages innate moral development — a necessary prerequisite for positive social change to occur and endure. Also endemic to the nourishment model is a reliance on internal and relational resources, rather than externalized (objectified and commodified) dependencies, so that Integral Lifework praxis becomes an antidote to the [spectacle](#) itself. In addition, there is a deliberate effort to differentiate diluted or ineffective “substitution” nourishment from the real deal in each dimension of being - so that moral development, self-reliance, discernment, skillful compassion and other benefits of integral practice are more fully energized and strengthened over time. In this way Integral Lifework

also helps synthesize the character and endurance necessary to sustain [revolutionary integrity](#). To appreciate all of these relationships and interdependencies, I recommend reading [A Mystic's Call to Action](#).



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[What is “the Spectacle?”](#)

[Superagency without Moral Development or Civic Accountability](#)

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### Action Guide



Achieving Level 7 objectives (or any other flavor of significant transformation) will require several independent efforts, all occurring at once and likely for a sustained period of time - probably several years. I do not believe they will require central coordination, but the intensity and persistence of engagement likely needs to maintain a similar amplitude across the spectrum of efforts. As an important prerequisite in the modern age, *a realistic transformation will require many of the existing and hard-won civic foundations to remain intact*; chaotic or purely destructive revolution is not likely to bear the fruit it intends. There are plentiful reasons for this, many of which are discussed in the [Revolutionary Integrity](#) section.

With these things in mind, multi-pronged change mechanisms for each objective might include:

## Top-Down Systemic Change

Revisions to processes and institutions at all levels of government - including national and international - that support Level 7 proposals.

### **Examples:**

- State and federal constitutional amendments to repeal corporate personhood, institute direct democracy in parallel with representative democracy, initiate banking and monetary reform (also in parallel with current systems), establish equality of feminine power, restore journalistic integrity, etc.
- State and local initiatives that create nested [citizens councils](#) with oversight of government and enterprise, institute [algorithmic redistricting](#), begin establishing a [Universal Social Backbone](#), etc.
- Legislate incentives for transitioning enterprises from shareholder ownership to [worker ownership](#)
- Legislation that embodies other Level 7 principles and proposals (practicing the precautionary principle, distributed green energy production, public priorities database, [sustainable design](#), etc.)
- Legislation to reform the IMF and World Bank

### **Resources:**

Eliminating "Corporate Personhood" in Law: <https://movetoamend.org/>

Alliance for Democracy: <http://www.thealliancefordemocracy.org/>

Promoting Direct Democracy: <http://www.realdemocracy.com/index.html>

Wikipedia on Direct Democracy: [http://en.wikipedia.org/wiki/Direct\\_democracy](http://en.wikipedia.org/wiki/Direct_democracy)

Wikipedia on E-Democracy: <http://en.wikipedia.org/wiki/E-democracy>

## Constructive Grass-Roots Populism

Engagement and education of the public to promote revolutionary change via mass movements.

### **Examples:**

- Create independent Open Source, crowd-populated "[Public Information Clearinghouse](#)" as proposed
- Promote activism, education and Level 7 ideas via social media - especially to counter AI bot campaigns and fake news that engineer targeted manipulations of public opinion
- Organize for popular support of top-down constitutional amendments and initiatives
- Create multimedia representations of Level 7 proposals for mass distribution
- Organize protests and other nonviolent group action to promote Level 7 transformations
- Develop K-12 multimedia outreach to educate about Level 7 and personal integral practice

### **Resources:**

Open Source Education Resources: <http://opensource.com/education/13/4/guide-open-source-education>

"Sharing Transformation" Resources: <http://www.shareable.net/>

Gene Sharp's Nonviolent Action Resources: <http://www.aeinstein.org/> and in particular [198 Methods of Nonviolent Action](#)

Tom Atlee's "Co-Intelligence:" <http://www.tomatleeblog.com/>

Michael Bauwen's P2P Foundation: [http://p2pfoundation.net/P2P\\_Foundation:About](http://p2pfoundation.net/P2P_Foundation:About)

Permaculture Design Principles: <http://permacultureprinciples.com/principles/>

Occupy Movement Resources: <http://occupy.org/>

Social media AI: <https://www.scout.ai/story/the-rise-of-the-weaponized-ai-propaganda-machine> and

[https://en.wikipedia.org/wiki/Cambridge\\_Analytica](https://en.wikipedia.org/wiki/Cambridge_Analytica)

## Disrupting the Status Quo

Deliberate sabotage of highly destructive but persistent social, economic, informational and political mechanisms that obstruct progress toward Level 7.

### **Examples:**

- Hacktivism of most nefarious actors (i.e. those who promote a neoliberal, pro-corporate, deceptive, destructive or self-serving commercialist agenda)
- Work with unions to migrate businesses toward worker-ownership
- [Disrupt pro-capitalist misinformation and PR campaigns](#)
- Disrupt commerce (retail boycotts, production and distribution interruptions, etc.) involving products or services with "perverse utility" or antagonistic holistic value

**Resources:**

All About Boycotts: <http://www.ethicalconsumer.org/boycotts/aboutboycotts.aspx>

Wikipedia Article on Ethical Consumerism: [http://en.wikipedia.org/wiki/Ethical\\_consumerism](http://en.wikipedia.org/wiki/Ethical_consumerism)

David Holmgren's "Crash On Demand" Essay: <http://holmgren.com.au/crash-demand/>

Wikipedia Article on "Eco-terrorism:" <http://en.wikipedia.org/wiki/Eco-terrorism>

Greenpeace on Civil Disobedience: <http://www.greenpeace.org/international/en/news/Blogs/makingwaves/civil-disobedience-why-direct-action-is-necessary/blog/48294/>

Wikipedia Article on "Hacktivism:" <https://en.wikipedia.org/wiki/Hacktivism>

Anonymous Group: <http://anoninsiders.net/>

## Exposing Misinformation & Pro-Corporatocracy PR Campaigns

Identify, call out and counter the constant stream of misinformation that perpetuates irrational faith in crony capitalism and corporatocracy:

**Examples:**

- Flag fake news memes on social media
- Provide community with correct facts
- Answer questions and concerns of folks who have been misinformed

**Resources:**

Big Oil Funds Climate Denial Propaganda: <http://www.skepticalscience.com/bigoil.html>

Tea Party Origins Linked to Tobacco Industry: <http://www.ucsf.edu/news/2013/02/13507/study-tea-party-organizations-have-ties-tobacco-industry-dating-back-1980s>

The Fox News Propaganda Machine: <http://foxnewsboycott.com/> and <http://mediamatters.org/research/2009/10/13/foxs-news-programs-echo-its-opinion-shows-smear/155660>

Anti-Globalization/Corporations Documentaries on IMDB: <http://www.imdb.com/list/ls058435089/>

An Extensive List of Whistleblowers from the 1700s to Current Day: [http://en.wikipedia.org/wiki/List\\_of\\_whistleblowers](http://en.wikipedia.org/wiki/List_of_whistleblowers)

Resources for Whistleblowers: <http://www.whistleblowers.org/>

Consumer Financial Protection Bureau: <http://www.consumerfinance.gov/>

List of "Fake News" Organizations: [https://docs.google.com/spreadsheets/d/1xDDmbr54qzzG8wUrRdxQl\\_C1dixJSIYqQUaXVZBqsJs/](https://docs.google.com/spreadsheets/d/1xDDmbr54qzzG8wUrRdxQl_C1dixJSIYqQUaXVZBqsJs/)

Snopes Fact Checking: <http://www.snopes.com/>

## Recruiting Elite Change Agents

**Examples:**

- Find members of the wealthy elite who are willing to endorse Level 7 proposals and can [help actualize solutions](#)
- Promote narratives that frame worker ownership, direct democratization of institutions and enterprises, and diffusion of wealth and political power as the extraordinary *philanthropic* aims that they are
- Persuade existing power brokers to relinquish counterproductive agendas and influence

### **Resources:**

Research on Network of Global Corporate Control: <http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0025995>

Articles on Global Corporate Control: Forbes <http://www.forbes.com/sites/bruceupbin/2011/10/22/the-147-companies-that-control-everything/> and New Scientist <http://www.newscientist.com/article/mg21228354.500-revealed--the-capitalist-network-that-runs-the-world.html#.VAT6pICwKhA>

Wikipedia List of People on Multiple Governing Boards: [http://en.wikipedia.org/wiki/List\\_of\\_people\\_on\\_multiple\\_governing\\_boards](http://en.wikipedia.org/wiki/List_of_people_on_multiple_governing_boards)

Wikipedia on Interlocking Directorates: [http://en.wikipedia.org/wiki/Interlocking\\_directorate](http://en.wikipedia.org/wiki/Interlocking_directorate)

Examples of Media Interlocking Directorates: <http://fair.org/interlocking-directorates/>

William Domhoff's Take on Corporate Interlocks: [http://www2.ucsc.edu/whorulesamerica/power/corporate\\_community.html](http://www2.ucsc.edu/whorulesamerica/power/corporate_community.html)

Wikipedia List of Bilderberg Participants: [http://en.wikipedia.org/wiki/List\\_of\\_Bilderberg\\_participants](http://en.wikipedia.org/wiki/List_of_Bilderberg_participants)

Bilderberg Influence: <http://www.telegraph.co.uk/news/politics/10102168/Bilderberg-Group-No-conspiracy-just-the-most-influential-group-in-the-world.html>

## **Community–Centric Pilot Projects**

Developing exemplary institutions, civic engagement and activism at the community level.

### **Examples:**

- [Develop NGOs](#) that promote and actualize Level 7 proposals at the community level
- Establish Community Land Trusts with common property shares
- Develop community green energy production and distribution facilities
- Initiate and maintain [sustainable design](#) projects individually and communally
- Advocate credit union banking - especially those institutions that identify as smaller community banks
- Create citizens councils that actively advise existing institutions (until initiatives can formally authorize their roles and responsibilities)
- Advocate Level 7 guiding design principles in existing community institutions
- Establish new goods and services enterprises that emulate the [Level 7 enterprise schema](#)

### **Resources:**

Community Organizing Resources: <http://organizingforpower.org/organizing-resources/>

## Level – 7 Action

Credit Union Info & Locator: <https://www.mycreditunion.gov>

Rob Hopkins' "Transition Towns" and Suggested Ingredients for Change: <http://www.transitionnetwork.org/>

The Burkana Institute: <http://berkana.org/>

Permaculture Principles: <https://permacultureprinciples.com/>

Wikipedia Article on CLTs (with links): [https://en.wikipedia.org/wiki/Community\\_land\\_trust](https://en.wikipedia.org/wiki/Community_land_trust)

## Individual Development & Supportive Networking

Personal and collective education, multi-dimensional nurturing & moral development to facilitate the unitive principle.

### **Examples:**

- Establish [Community Coregroups](#) around the country to mutually educate and participate in Level 7
- Create action lists of personal choices that energize Level 7 transitions to share with others
- Contribute to the Public Information Clearinghouse database
- Advocate Level 7 guiding principles in local community, in the workplace, etc.

### **Resources:**

Integral Lifework: <https://www.integralifework.com>

Resources for Paulo Friere's Work: <http://www.comminit.com/democracy-governance/content/pedagogy-oppressed-paulo-freire-analysis> and <http://infed.org/mobi/paulo-freire-dialogue-praxis-and-education/> and [Pedagogy of Love](#)

A note regarding individual development and supportive networking: In the context of Integral Lifework, it is critical to appreciate that multidimensional nurturing and development is a prerequisite and parallel practice to [revolutionary integrity](#) and activism. To understand this relationship, consider reading [A Mystic's Call to Action](#).

## Socially Engaged Art

Artists engaging the community in participatory art projects that increase social consciousness around Level 7 concerns.

### **Examples:**

- Community sing-along concerts that protest inequality, owner-shareholder exploitation, destruction of the environment, etc. and express demand for greater democracy throughout all private and public institutions
- Public interactive art installations that educate about direct democracy, worker-ownership, the precautionary principle, etc
- Plays - preformed in openly accessible community spaces, and with audience participation - that model

## Level - 7 Action

new forms of civic engagement (citizens councils, daily direct democracy, recall elections, the social credits system, etc.)

### **Resources:**

Art Activism Links & Resources: [http://culturalpolitics.net/social\\_movements/art](http://culturalpolitics.net/social_movements/art)

Creative/Artistic Activism Database: <http://actipedia.org/>

(See also: [The Importance of Fine Arts](#) for why I believe art is such a critical consideration)

*Although there are other examples of action items peppered throughout this website, individual and collective action is probably the most critical opportunity for participatory mechanisms. At some point, the web should be used to consolidate input and planning; for example, creating a portal to searchable databases for all ongoing Level 7 action efforts and avenues of involvement.*

## **Philosophy of Countermeasures**

(From the essay [Escaping the failures of Capitalism](#))

- Educating people about economics, technology, the functions of government, and what is actually healthy and helpful for individual and collective well-being and happiness, all-the-while exposing the deceptions and misinformation that are mercilessly disseminated in service of profit.
- Encouraging moral maturity, compassion and empathy through revised interpersonal standards, better awareness of multidimensional nourishment (see [Integral Lifework Overview](#)), and inspirational modeling.
- Holding accountable those government officials, businesspeople, and average citizens who have cultivated attitudes of indifference and callousness, and exercising this accountability through moral education, social expectations and the rule of law - while also eliminating the cultural and economic incentives for this behavior.
- Promoting holistic approaches to well-being that undermine the addictions and self-destructive habits created by commercialism.
- Creating new civic institutions that embody these more evolved, sophisticated and morally responsible values, and offering safe places to reinforce and propagate evidence-based, constructive ideals.

### **For Additional Activism Resources:**

Please visit the Integral Lifework ["Constructive Organizations"](#) page.

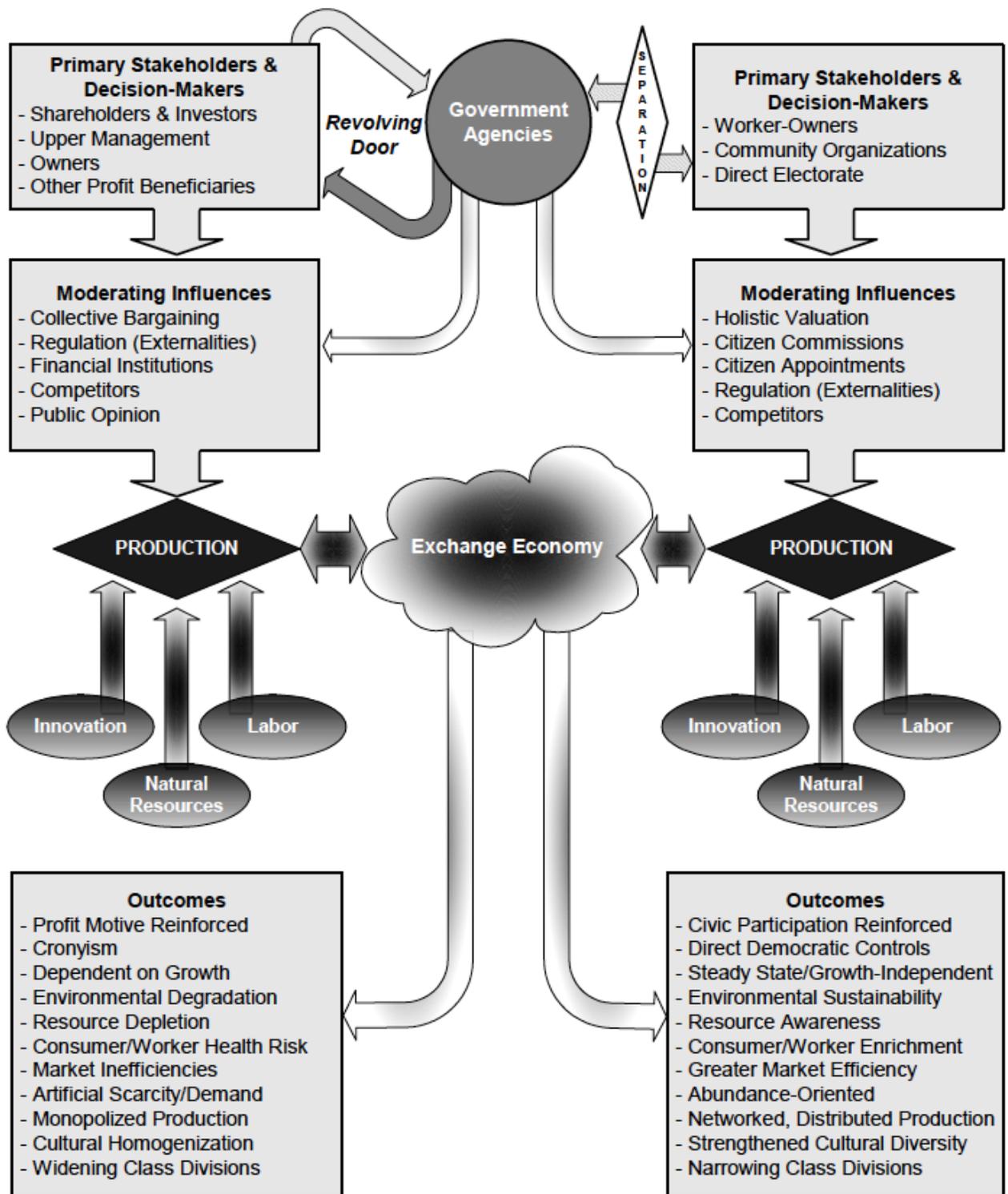
## A Transitional Vision for Level 7

(From *Political Economy and the Unitive Principle*)

*Diagram: Contrasting Production Dynamics*

### MARKET-CENTRIC PRODUCTION DYNAMICS

### LEVEL 7 PRODUCTION DYNAMICS



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# Level - 7

## Tools For A New Political Economy

- [L7 Overview-](#)
- [Philosophy-](#)
- [Challenges-](#)
- [Solutions-](#)
- [Action-](#)
- [Resources-](#)
  - [-PolEco Unitive-](#)
  - [-True Love-](#)
  - [-Being Well-](#)
  - [-About T.Collins Logan-](#)
  - [-Visual Education-](#)
- [Site Search](#)

## Level 7 Resources



## PDF Capture of L7 Website

*A PDF of all of level-7.org (with Table of Contents and navigation links), as of December, 2018: Level 7 Overview (note: **9.9 Mbytes** — I recommend downloading this rather than opening it in a web browser...)*

## Essay Summary of This Website?

*[“Articles of Transformation for a Level 7 Political Economy.”](#) An overview of the Level 7 proposals and central concepts covered on this website. Originally written in October of 2016 for submission to an essay competition, with minor updates and corrections since (last updated 6/13/2017). Roughly 15K words.*

## Real-World Test Cases of L7 Components

***Worker-Owned Cooperatives:** see [Worker Cooperatives: “Worker Cooperatives More Productive than Normal Companies”](#)*

***Semi-Direct Democracy:** [Switzerland](#)*

***Common Pool Resource Management:** Elinor Ostrom’s examples in Switzerland, Japan, Spain, the Philippines (see [“The Solution to the Tragedy of the Commons”](#))*

**Diffused Self-Governance:** [Rojava](#); historical anarchist experiments in Spain, Korea, Bulgaria, Ukraine, etc.  
(see [Mass Societies](#))

**The Precautionary Principle:** ["Use and Abuse of the Precautionary Principle;" FAQ \(with examples of application\)](#)

**Examples of Left-Anarchist/Libertarian Communities & Mass Societies:**

[https://en.wikipedia.org/wiki/List\\_of\\_anarchist\\_communities](https://en.wikipedia.org/wiki/List_of_anarchist_communities)

## Theoretical Exploration of L7 Components

**Encouraging Moral Development:** see ["Fostering Goodness & Caring;"](#) ["Two Perspectives: On Self, Relationships & Morality"](#)

[Integral Lifework Developmental Correlations](#)

## Other Websites & Online Resources

[Electoral Integrity Project](#)

[198 Methods of Nonviolent Action \(Aeinstein.org\)](#)

[List of Constructive Organizations](#) (that resonate with the Level 7 framework and objectives)

[Integral Lifework](#) (multidimensional nourishment)

[An Anarchist FAQ](#)

## Books

**by T.Collins Logan**

*True Love: Integral Lifework Theory & Practice* - [Read Online](#), [DjVu download](#), or [Purchase](#)

*Political Economy and the Unitive Principle* - [Read Online](#), [DjVu download](#), or [Purchase](#)

*Being Well: Beginning the Journey of Integral Lifework* - [Read Online](#) or [Purchase](#)

### ***Works that assist with Level 7 proposals***

*The Economics of Feasible Socialism Revisited*, Alec Nove, 1992, ISBN-13: 978-0044460152

*The Democratic Worker-Owned Firm*, David Ellerman, 1997 (out of print - PDF available [here](#), original MS Word file at <http://www.ellerman.org/Davids-Stuff/Books/demofirm.doc>)

*After Capitalism (New Critical Theory)*, David Schweickart, 2011, ISBN 978-0742564985

*Europe's Promise: Why the European Way Is the Best Hope in an Insecure Age*, Steven Hill, 2010, ISBN 978-0520261372

*The ABCs of Political Economy*, Robin Hahnel, 2004, ISBN 978-0691003849

*Building Sustainable Communities: Tools and Concepts for Self-Reliant Economic Change*, C. George Benello, Shann Turnbull & Ward Morehouse, 1997, ISBN 978-0942850369

*Building Powerful Community Organizations*, Michael Jacoby Brown, 2007, ISBN-13: 978-0977151806

*Democracy at Work: A Cure for Capitalism*, Richard D. Wolff, 2012, ISBN 978-1608462476

*The Cooperative Workplace: Potentials and Dilemmas of Organizational Democracy and Participation*, Joyce Rothschild & Allen Whitt, 1989, ISBN 978-0521379427

*Putting Democracy to Work: A Practical Guide for Starting Worker-Owned Businesses*, Frank T Adams, Gene Taback & Gary B Hansen, 1993, ISBN 978-1881052098

*For All the People: Uncovering the Hidden History of Cooperation, Cooperative Movements, and Communalism in America*, John Curl, 2012, ISBN 978-1604865820

*What Then Must We Do?*, Gar Alperovitz, 2013, ISBN 978-1603585040

*Living as Form: Socially Engaged Art from 1991-2011*, Nato Thompson (Editor), 2012, ISBN 978-0262017343

*Women's Education in Developing Countries*, 1993, Elizabeth M. King & M. Anne Hill, ISBN 9780801845345

## **Essays**

***by T.Collins Logan***

["Reframing Profit"](#)

["Escaping the Failures of Capitalism"](#)

["The Goldilocks Zone of Integral Liberty"](#)

["Managing Complexity with Constructive Integralism"](#)

["Growing Beyond an Egocentric Worldview"](#)

["Functional Intelligence"](#)

["The Stupefaction of Human Experience"](#)

["Integral Communication"](#)

[Other essays...](#)

## **Blog**

[Blurts & Spasms Blog](#) (can use search facility to find relevant posts)

## **Podcasts**

[Blurts & Spasms Podcasts](#) (must browse for relevant posts)



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# Reframing Profit

## Proposed Level 7 Criteria for Non-Profit vs. For-Profit Designations

In a Level 7 political economy, the idea of "profit" represents something much different from what it currently does in traditional crony capitalism found in the U.S. and other developed countries. It is such a stark contrast, in fact, that the clearest representation is to compare the two conceptions side-by-side:

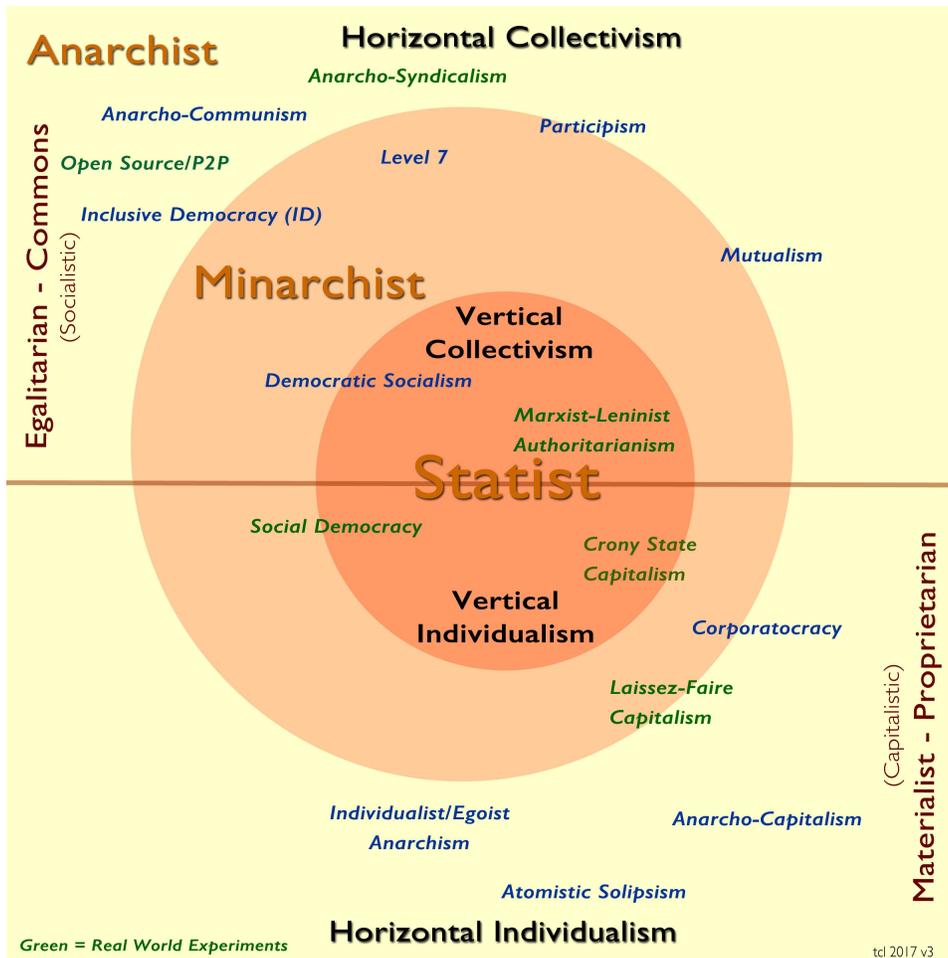
<b>Nature of Profit</b>	<b>Level 7</b>	<b>Traditional Crony Capitalism</b>
1) As a reward for...	<ul style="list-style-type: none"> <li>• Demonstrated Creativity</li> <li>• Demonstrated Complex or Demanding Learned Skills &amp; Abilities</li> <li>• Demonstrated Innate Talents</li> <li>• Demonstrated Knowledge</li> <li>• Enhancing or Strengthening Civil Society</li> <li>• Innovations &amp; Research that Benefit Health &amp; Well-Being</li> <li>• Reviewed &amp; Validated Scientific Discoveries</li> <li>• Demonstrated Self-Sacrifice for the Betterment of Others</li> <li>• Demonstrated Endurance (Longevity) and Effectiveness in a Social Services Roll</li> <li>• <i>Technocratic Expertise</i></li> <li>• Exceptional or Unusual (Outlier) Contributions to a Particular Field</li> <li>• Demonstrated Efficiencies or Lowering Overhead within Ostrom's Common Pool Research Management Schema</li> <li>• Solutions That Demonstrate Long-term Viability &amp; Sustainability</li> <li>• <i>Increasing Market Share through Competitive Differentiation/Improvements</i></li> <li>• <i>High-Risk Startup Investment</i></li> </ul>	<ul style="list-style-type: none"> <li>• Increased Efficiencies of Production or Lowering Overhead (automation, reducing wages, outsourcing to developing economies, etc.)</li> <li>• First-To-Market Innovations</li> <li>• Top 5% of Exceptional Creativity/Skill/Ability</li> <li>• <i>Increasing Market Share through Competitive Differentiation/Improvements</i></li> <li>• <i>High-Risk Startup Investment</i></li> <li>• High Pressure Sales &amp; Persuasive or Deceptive Advertising/Marketing</li> <li>• Creating Consumer Dependency &amp; Addiction</li> <li>• Coercing Maximum Labor Output</li> <li>• Disregard for Worker Safety</li> <li>• Reckless Natural Resource Extraction &amp; Depletion</li> <li>• Monopolization</li> <li>• Price-Fixing &amp; Anti-Competitive Practices</li> <li>• Disregard for Negative Externalities</li> <li>• Disregard for Consumer Safety</li> <li>• Conspicuous Consumption Coupled with Price-Elastic Demand</li> <li>• Engineering of Artificial Scarcity</li> <li>• Rolling Back Regulations</li> <li>• Lowering Business Tax Rate</li> <li>• Socializing Risk While Privatizing Profit</li> <li>• Encouraging Consumer Debt</li> <li>• Encouraging High-Risk Speculation (Gambling)</li> <li>• Overcharging, Excessive Fees, Interest Gauging, Hidden/Undisclosed Costs</li> <li>• Planned Obsolescence</li> <li>• Bait &amp; Switch</li> <li>• Delivering Illicit Products/Services</li> <li>• Aggressive Self-Promotion &amp; Political Cleverness</li> <li>• <i>Technocratic Expertise</i></li> <li>• Zero-Value-Add Rent-Seeking Activities</li> </ul>



2) To be shared by...	<ul style="list-style-type: none"> <li>All Workers and Member-Shareholders of a Cooperative, Democratic Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Select Owner-Shareholders &amp; Senior Executives in A Command-Style Enterprise</li> </ul>
3) With <i>holistic valuations</i> & margins to be influenced by...	<ul style="list-style-type: none"> <li>Self-Managed Workers</li> <li>Community Organizations</li> <li>Citizens Councils</li> <li>Direct Democracy Referenda</li> </ul>	<ul style="list-style-type: none"> <li>Owner-Shareholders, Executive Board Members &amp; Senior Managers</li> <li>Marketing &amp; Competitor Pricing</li> </ul>
4) With standardization & regulation of for-profit enterprise via...	<ul style="list-style-type: none"> <li>Elected Technocrats with Specialized Expertise</li> <li>Direct Democracy Initiatives &amp; Referenda</li> <li>Co-Created Legislation (Technocratic Initiatives as Approved by Direct Vote)</li> <li>Citizen's Councils</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Lobbyists</li> <li>Career Politicians Who Often Have Little-to-No Specialized Expertise</li> </ul>

As you can see, there is very little overlap between these two incentivization and planning structures, with a more direct linkage between profits and prosocial and pro-civic activities in Level 7 than ever could be achieved under traditional capitalism. This is a fundamental consideration in Level 7, and it will be familiar to anyone who has read economists Veblen, Schumacher, Sen and others in their company: *there needs to be a clear values linkage between free enterprise and civil society; the two cannot and should not operate independently of each other.* In fact, as I write on the Level 7 website: "The objective will be to subjugate business activities to civil society, rather than inverting that relationship as it is today." Why shouldn't the most socially productive enterprises – enterprises that provide the greatest, most prosocial and widely shared benefits to civil society – be rewarded the most, instead of those that are self-serving or even socially destructive?

Now we could just stop there and allow our imagination to populate the various domains in non-profit and for-profit enterprise at all levels of society – community, district, megalopolis, province or state, regions, nations, etc. And really in any system that attempts to honor subsidiarity, direct democracy and polycentric governance for the common good, leaving it to participatory imagination could be enough. But there are also natural barriers to conceiving of alternatives to current political economies, and those theorized via proposals across the political and economic spectrum. We have become accustomed to and comfortable with the familiar, unaware of alternatives, distracted by our commercialist spectacle, and seduced by inertia. So the spirit of Level 7 proposals is to explore what some as-yet-unimagined alternatives might look like....



In Level 7, for-profit and non-profit designations can be addressed to some degree via the collectively designated *holistic value* for a given product or service, as this valuation process will inherently expand or contract potential profitability. How do we arrive at *holistic value*? In brief we can apply the following formula, which expands slightly upon previous conceptions described in [Political Economy and the Unitive Principle](#):

<p><b>HOLISTIC VALUE =</b></p> <p>Intersubjective use value (the aggregate of <a href="#">culturally esteemed, desired &amp; dependent utility</a>)</p> <p>+</p> <p>Evidence-based contribution to balanced, high-quality multidimensional nourishment (i.e. support &amp; stimulation for the thirteen dimensions of <a href="#">Integral Lifework</a> – both individually and collectively)</p> <p>+</p> <p>Perceived ongoing facilitation of social cohesion, civic engagement, community empowerment and vibrant democracy</p>
--

As part of this process, we can even target the "fulcrum's plane" of ideal nourishment to refine *holistic value* with objective metrics – metrics which can then be made available to all via the [Public Information Clearinghouse](#). The fulcrum's plane in this instance refers to an optimal range of nourishment across all thirteen dimensions of wellness, which of course will be a spectrum for each individual and different groups demographics, but can be generalized for a community, megalopolis, region or other population boundary for the purpose of contributing to *holistic value* calculations.

<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
1. Damaging 2. Empty Reserves 3. Partially Depleted 4. Dissonant	5. BASELINE 6. Harmonious 7. Healing 8. Transformative	9. Competing (Impeding) 10. Cross-Canceling (Retrograding) 11. Addictive 12. Damaging

Ultimately, *holistic value* offers an avenue of defining and encouraging prosocial, pro-civic, pro-wellness productivity, and then – in conjunction with production costs and fixed markup percentages for each stage of supply and distribution – to calculate a collectively-agreed-upon final exchange price index for categories of goods and services. In other words, this public deliberation would include fixed markups for different distribution methods – brick-and-mortar, online storefronts, informal 3D printer file distribution, etc. – and each link in the supply chain. All of the fixed markups across production, distribution and servicing could then also be indexed in accordance with *holistic valuation*, so that the same social values are promoted from end-to-end. Really, any formulation could be used as long as it is consistent; the objective is for exchange values to reflect  $[(actual\ production\ costs + fixed\ markup) + holistic\ valuation + (actual\ distribution\ costs + fixed\ markup)]$  in the most fluid, transparent and publically managed way possible. In this way, Level 7 seeks to minimize profits and growth, and maximize economic stability along with equitable distribution.

(Note: For additional discussion, and an overview of how *holistic value* figures into a redefinition of property, see [The Level 7 Property Position](#).)

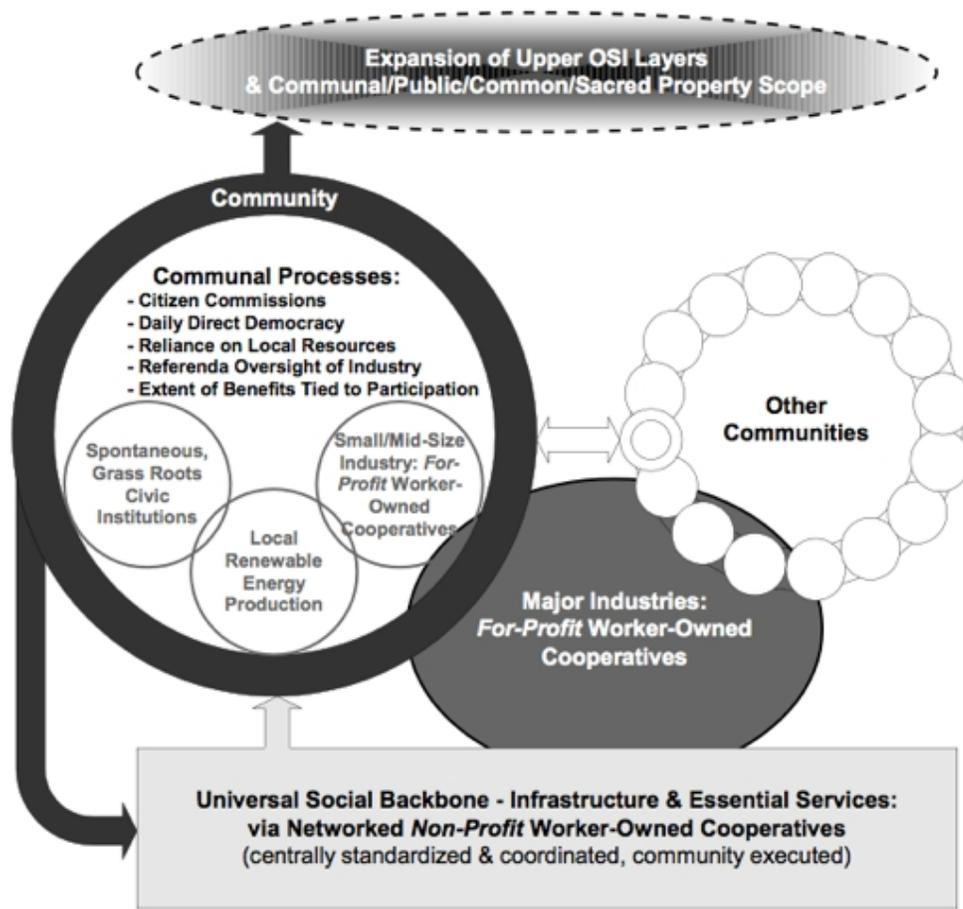


By promoting such a system of goods and services valuation, and infusing the process with direct democratic mechanisms and community oversight, we have the opportunity to short-circuit externalization and commodification – along with the deceptive manipulation, fetishizing and unconscious lemming behavior that often accompanies these practices – and invite more detached, intersubjective, intrinsic and spontaneous assessments of value. How does this short-circuiting occur? From one perspective, it is because we are aiming, individually and collectively, to evolve beyond profit-seeking and individualistic materialism toward the nurturing, prosocial, egalitarian orientations of our higher selves; we are consciously honoring and reinforcing the ever-expanding arenas of compassionate affection inherent to moral maturity, rather than the I/Me/Mine acquisitive egotism of capitalistic toddlerization (see [Integral Lifework Development Correlations](#) for elaboration on this topic). And by honoring and energizing the *better* over the *base*, we encourage its flourishing: the innate values, virtues and characteristics we want to drive and support our society [will be the ones we feed](#).

In harmony with this form of valuation (and, ultimately, price-setting), I think it can be argued that enterprises engaging in the most supportive and "holistically valuable" products and services should also have the greatest opportunity to (collectively) profit from those activities – at least in the initial iterations of Level 7 that maintain a robust exchange economy. And, as we're redefining incentivization end-to-end, those standards should remain consistent throughout whatever system we implement. This speaks to how fixed markups throughout production, distribution and servicing would be consistently and transparently indexed; how wages are set within an enterprise; and indeed how social credits are awarded for Level 7's [Universal Social Backbone](#) (USB). In any case, this provides our first criterion for a viable, values-supportive incentive that itself aims to inhabit the "optimal range" of profitability that is *neither deficient nor excessive*.

Regarding the Universal Social Backbone, we will also want to conceptually and functionally separate USB infrastructure and services from enterprises that compete in an exchange economy to provide goods and services above-and-beyond civic fundamentals. The nature, rationale and proposed extent of USB infrastructure and services – which again will likely have considerable variability among different localities with different needs – is

covered in detail in [The Goldilocks Zone of Integral Liberty](#) essay. However, to help clarify which enterprises potentially reside within the USB and therefore participate in a social credits system rather than an exchange economy, I've provided an initial list at the end of this essay. For additional explanation, an overview of the various layers of enterprise participating in a Level 7 exchange economy is provided on the [A New Enterprise Schema](#) page of the Level 7 website, as illustrated by the graphic below. Essentially, there are many overlapping sizes and networks of non-profit and for-profit enterprise in that schema. At first glance, there might appear to be a contradiction between pro-civic economic activities that are partially incentivized by profit, and those which become networked non-profit infrastructure and essential services enterprises in the USB. But I think this issue will clarify itself shortly, as we examine the additional parameters in play and their projected evolution over time.



(From [Level 7 Enterprise Schema](#))

Another variable that informs differentiation of for-profit from non-profit is the knowledge, skill, creativity, innovation and cleverness inherent to a service or product. Here we also find an opportunity to include automation and computerization in the mix. Thus, if something can be produced in an automated facility, via Artificial Intelligence, or with an in-home 3D printer, and requires very little human skill to accomplish as an end-product, then it seems practical to designate it as a non-profit activity. At the other end of the same spectrum, if there is a substantial necessity for human involvement and skill – and perhaps high levels of skill – then it might logically be designated as for-profit when operating outside of the USB. I think this approach echoes the considerations of Marx, Ricardo, Smith and Locke regarding the uniqueness and importance of human labor's contributions to productivity in general – though of course it does not echo their particular conceptions of how this value should be calculated or managed. For example, I intentionally fall short of both a formal Labor Theory of Value (LTV) and labor theory of property/appropriation here – both because human labor is only part of the overall equation, and because private property ownership reinforces a tyranny that robs human beings of essential freedoms (see [The Goldilocks Zone of Integral Liberty](#) for further discussion of this topic). And of course at a Level 7 development of political economy, we're also taking a hybrid approach to commodities that intends to address many of Marx's concerns without completely doing away with money, private property, commodities or an exchange economy.

Now what also becomes important in this context is not to denigrate one type of skill or knowledge while elevating another – for, as with the pitfalls of property ownership itself, the arbitrary and capricious valuation of some skills or learning above others is one of the classic problems that manifest in traditional capitalism; we can and should avoid "fetishistic" amplifications in this regard. Lastly, although I'm addressing the creativity, skill and knowledge of labor separately from *holistic value*, ultimately these contribute to the same overall flavor of for-profit vs. non-profit differentiation.

We should take a moment to touch upon the rent-seeking and economic financialization that has become so prevalent both to modern capitalism's growth and seeming

amplification of boom/bust cycles. These are examples of what happens when profit is entirely disconnected from nearly every aspect of the participatory economic valuation described thus far (i.e. actualizing  $[(actual\ production\ costs + fixed\ markup) + holistic\ valuation + (actual\ distribution\ costs + fixed\ markup)]$  in the most fluid, transparent and publically managed way possible). The sort of high-risk, large-scale gambling that rent-seeking and financialization have come to embody – predicated only on "profit for profit's sake" and the wanton celebration of greed – is anathema to a Level 7 system. Which is why products and services within the financial industry – and indeed how society treats leveraging and debt overall – will require special attention. Just as with the fixed margins in conventional production, the same public feedback mechanisms can be in play with respect to individual and institutional leverage ratios, interest rates, credit access and debt burdens. The same indexing that applies to profits can be applied to these parameters as well, generating like-minded incentives, disincentives and perceived risk for a given enterprise based on the prosocial, pro-civic, pro-wellness values that enterprise does or does not promote. I also think it goes without saying that rent-seeking behaviors will understandably fall at the "perverse utility" end of the spectrum, with their profitability restricted appropriately.

Ultimately such deliberations lead us to the issue of money itself. When I was a young child, I remember observing a distinct contrast between two communities I lived in at different times. In one neighborhood, people helped each other take care of basic needs as a matter of social investment and reflex; there was a tacit understanding of mutual trust, sharing of resources, and willing reciprocation. When a frail elderly person needed their lawn mowed, a neighbor with a nice lawnmower would take care of it for them; when someone else needed a babysitter, the frail elderly person might step in to help; when the neighbor with the lawnmower had car trouble, another neighbor with tools and an automotive knack would help them fix it; and so on. This mutual aid was never something anyone questioned or avoided. Then, after a few years, I moved to another neighborhood, where this kind of community participation and relationship was not expected or encouraged. Instead, everything was paid for with money – even if a neighborhood kid offered to mow your lawn, you knew they expected to be compensated. And of course coinciding with this monetary expectation was a general isolation and separation within

the community itself – an inherent mistrust and loneliness among all my neighbors that in no small part was being expressed and expanded by money-centric relationships.

Observing this difference created a strange dissonance for me as a young person, and after much thought I concluded that money routinely supplanted trust between people. Either as a consequence of the breakdown of cohesive community – or indeed as a causal factor – reliance on monetary exchanges undermined human relationships on a fundamental level. I did not discover until many years later that Marx and others had come to a very similar conclusion on a macro level: that the exchange of money for objects and services abstracted social relations to such a degree that those relations could be damaged or destroyed. Eventually, I would come to see that individualistic materialism – amplified as it was by the commercialism, conspicuous consumption and deliberate infantilization of consumers – was really at the heart of this destructive tendency, and that money was simply the language it most frequently employed.

So I was not surprised when I eventually encountered a convergence of evidence and insight around this issue. For example, interdisciplinary research illuminating the positive impact of genetically predisposed prosocial traits and group selection on human survival (see Grit Hein, Scott Huettel, Barbara King, E.O. Wilson et al); or Kropotkin's examination of mutual aid as a guiding principle of social organization; or my personal experience of the obvious advantages of collaboration and cooperation (over "rugged individualism" or "going it alone") in nearly every life context; or meditating upon the Apostle Paul's warning to Timothy that "the love of money is the root of all kinds of evil." Beyond simply confirming my assumptions and observations around this issue, it became painfully clear that capitalism was an unnatural and corrosive imposition on the human condition.

Which brings us to how I propose mitigating the antisocial impacts of money and commodification in a Level 7 political economy. I do envision a moneyless gift economy as an eventual evolutionary certainty in humanity's moral progression, as would be increasingly expressed in Level 8 orientations and above in the [Integral Lifework Development Correlations](#). We already know that profit is not a necessary incentive for human activity, inquisitiveness or excellence – we see strong evidence for this in the Open

Source movement, P2P knowledge sharing, the excellent academic research and innovation performed by unpaid students and interns, the joyful intensity of various hobby clubs and professional societies, and in the relationships and communities referenced earlier *where people simply care about each other*. In fact, contrary to the wishful thinking of market fundamentalists, the vast majority of modern technological and scientific innovation and excellence has arisen from such non-profit-centric or publically funded activities. But we haven't yet arrived at either a post-scarcity world or the sufficient collective moral maturity to support a 100% gift economy. So what can we do for now...?

The current Level 7 proposal centers around the concept of community-centric [common property shares](#). As quoted from Level-7.org:

"Right now when we stand in almost any location - populated or not - and look around, most of what we see are things that other people individually own, or things that corporation own. Cars, buildings, businesses, parks, forests, pastures and so on. But what if, instead, when we looked around at the same things, we felt a sense of communal ownership? And what if we knew - in a calculable, easily estimable and indeed semi-fungible way - the precise portion of that collective ownership that we had? And what if, just as common shares accomplish in business enterprises today, those shares also represented a voting right in how that property is managed, utilized, safeguarded and so forth? That is what common property shares are meant to accomplish....

....There would be a universal data repository - an accounting and tracking system - of all commonly held assets that acts as the backing for currency. So, when we look around us we will see the actual backing for the currency we use in our economic transactions. If those assets are maintained, the value of our currency is likewise maintained; and if those assets are depleted or destroyed, the value of our currency is reduced and/or our shares are reduced. Of course, there would need to be a carefully balanced proportionality between local, national and international currency valuation and local, national and international common ownership systems; we would want to diffuse (or aggregate) the backing variability as much as possible to create stability, while still encouraging localized contributions to the whole. Some universal percentage of the common property shares would therefore be allocated to district, state and national common repositories, as distinct from community allocations. In this way, the backing for currency is as diffused as the issuance of currency.

Now we need to ask: what constitutes an asset? And this is where things get interesting, because, using concepts inherent to *holistic valuation* in an L7 property position, what a community creates or shepherds as “valuable” can correlate with any of the dimensions of Integral Lifework - across all layers of OSI abstraction, and across all scopes and arenas of social good. In this way, a community can increase its total common property shares, and the individual holdings of property shares among community members. From community to community the emphasis may vary, but the framework is shared across all communities (which is what makes the community assets semi-fungible after all). In many ways, these common property shares are a concrete representation of political obligation or collective agreement around civic responsibility and engagement."

So the basic idea is to use a universal data repository to assign and track common shares for every person of voting age, so that they have a direct stake in the sustainability of how various resources are managed and improved, and ultimately even in how currency itself is valued. Which means that "money" itself is directly linked not to the *usurping* of prosocial relations, but to the *fortification* of those relationships for mutual benefit. There are other implications to this system that will need to be explored – such as how share values and per capita quantities correlate with variable population; the different categories of shares, some of which can be traded or transferred; the relationship between social credits, civic accountability, and common share values and velocity; and so forth. But for now we've outlined the basic idea.

There is another important area to discuss, and that is the one substantive holdover from traditional capitalism in Level 7: startups and a stock exchange. In Level 7 the currently monolithic NYSE will all but disappear, with the remaining speculative activity orbiting around high-risk outlier startups for new products and services. Although the valuation of privately held shares can be indexed in accordance with *holistic value* and the other variables discussed so far, these will still be *private* shares – not common property shares – held in equal portion by workers and investors. Essentially, this provides those craving high-risk/high-return gambling opportunities with a focused outlet for their passion, and encourages potentially disruptive innovations, improvements and change that might otherwise not enter the mainstream. It also concentrates any losses on those directly involved in the startup. In conjunction with the guiding influence of subsidiarity and the

precautionary principle, however, both the risks and the change will still be managed with public input and technocratic oversight.

As a startup succeeds and grows, the shares could first increase to the maximum allowed per-share value within the public indexing for that product or service, and then split into additional shares in proportion to ongoing increases (or consolidate if the value declines below the lowest index value limit). Within a set predetermined period, if the venture succeeds, the worker-held portion of shares could automatically be converted to common property shares and enter into the pool of currency-backing semi-fungible assets (still held by the workers). The shareholder portion of shares, on the other hand, could be divided into thirds, with one third converted to social credits linked directly to the investors, one third made available to the investors exclusively for new startup ventures, and the final third liquidated to fund USB expansion and maintenance projects.

Would such a system still encourage an elite shareholder class who effectively holds much of the wealth in society? Sure – but if social credits are the only thing actually being accumulated and concentrated to the investor's benefit, there is a natural limit to the self-serving utility of such wealth. The investors will not have disproportionate influence over the business they have invested in, or how the earnings transferred to the USB are spent, or how technocrats and council members are elected, or how legislation is written or becomes law. Speculative investment will effectively become a potentially lucrative hobby...but it will no longer contribute to a plutocratic hegemony. In Level 7, civil society is protected primarily by strong democratic processes across all of its political and economic institutions – processes which cannot be bought or distorted by the influence of wealth.

Okay...so what is the end result of applying the criteria discussed so far, with a conscious aim of reframing the profit motive? I think an ongoing, fluid and dynamic Level 7 separation would look something like this....

***Products and services with the highest for-profit potential will demonstrate:***

- High levels of support and flourishing with regard to civil society (above and beyond the USB)
- High levels of ongoing labor knowledge, skill, innovation and creativity
- High *holistic value* as previously defined
- High risk startup investment for outliers and disruptive innovation

***Products and services with the lowest for-profit potential and highest non-profit potential will demonstrate:***

- Levels of support and flourishing for civil society at or below USB stability and functionality
- Most appropriate for automation or computerization (i.e. low levels of skilled human labor, creativity, knowledge, etc.)
- A moderate to low *holistic value*
- Perverse utility (destructive to individual or social health)

Given these broad parameters, we can formulate a common-sense approach to deciding what are for-profit activities, and what are better suited to a non-profit designation in order to promote prosocial, pro-civic values in the formation and execution of human enterprise. Here is what that first sketch looked like to me, based on class of business entity and/or scope and nature (sector) of products and services in a handful of areas:

- **Sole Proprietorships** - should be able to choose for themselves, regardless of activity, but many would likely be for-profit because of their sector.
- **Veblen/Luxury Goods** - small for-profit worker-cooperatives or sole proprietorship.

- **Customized Production** (individually tailored goods) - small for-profit worker-cooperatives or sole proprietorship.
- **Goods & Services with Stable Standardization & Demonstrated Long-Term Price-Inelastic Demand** - non-profit worker-cooperative networks, or possibly distributed, small-scale automated factories.
- **Natural Resource Extraction & Allocation** - non-profit worker cooperatives & for-profit sole proprietorships.
- **Customer Service, Training & Support** - for-profit worker cooperatives.
- **Specialized (Technocratic Guild) Education** - for-profit worker cooperatives.
- **Food Production** - non-profit collectives & for-profit sole proprietorships.
- **Banking & Financial Services** - non-profit worker/member cooperatives.
- **Insurance** - non-profit worker/member cooperatives.
- **Distribution & Retail** - non-profit worker/member cooperatives.
- **Artistic Expression** - small for-profit worker cooperatives.
- **Engineering & Technology** - sole proprietorships or for-profit worker cooperatives.

Circling back on democratic product and service valuation, any for-profit enterprise will still have the value indexing of its goods and services – and the scope of its products, services, jobs, activities and overall footprint in a given community – determined in large part by [Daily Direct Democracy](#) and [Citizens Councils](#). So just how profitable a company will be is going to be heavily influenced by its conscious engagement with the community and integration of the community's priorities, independent of its for-profit designation. The incentive that profit offers in this context is to incorporate shared social values and diffused cultural capital into the equation – to once again subjugate free enterprise to civil

society. From a philosophical perspective, we could again say that "profit" in this milieu is energized by a willingness to actualize collective egalitarian virtues, rather than an obsession with individualistic materialism. *It is intended to be a complete reframing of what for-profit means within a context of horizontal collectivism.* As such, we should recognize the possibility of entirely new classes of business entity, and entirely new sectors of business activity, that evolve around a prosocial focus. In such an environment, it seems a certainty that human beings will be just as creative, complex and intricate at innovating around the common good as they have been at inventing new forms of rent-seeking; we have just offered up a much healthier flavor of cheese, and will go about defining and managing it in participatory rather than autocratic or authoritarian ways.

That said, we can also identify some problems with the initial list – and indeed with this entire approach. What rapidly becomes evident is that as neat as these kinds of divisions may look on paper, in the real world they frequently overlap. For example, the same enterprise may participate in goods or services subject to sustained periods of price-inelastic demand, while at the same time producing luxury items; likewise, the same small business may be involved in both *natural resource extraction* and *customized production*. And of course there will be overlap between goods and services that fall under the Universal Social Backbone (as some in this list already do), and those that participate in the exchange economy. In addition, there may understandably be vociferous disagreement over what constitutes perverse utility, or which products and services maximize *holistic value*.

But accounting for such divisions and dynamics within a single enterprise will not be that difficult – in fact this already happens in many larger organizations today, it's just that the mechanisms are either legalistic and arbitrated via complex and costly litigation, or they involve convoluted accounting practices. In a Level 7 enterprise, these burdens are diminished by a relaxation of the profit motive on the one hand, and truly collective enterprise governance on the other (i.e. the involvement of workers, consumers, communities, and voters in the process...instead of just owner-shareholders). In fact this should also help alleviate another counterproductive variable: the potential advantage larger enterprises with greater internal resources might have over smaller ones in

implementing and maintaining fluid adjustments. Even so, there is no reason why smaller enterprises couldn't pool or network their most critical resources to match economies of scale, while at the same time competing with each other. Across industries with increasing standardization and long-term price stability, this has already happened after available efficiencies were maximized.

However, due to the potential for increased complexity – and a desire to manage concentrated capital accumulation itself – a "wealth tax" could be implemented that applies to all fixed and liquid assets. Initially, this could be a progressively tiered tax for both individuals and enterprises. Eventually, as more and more aspects of the overall exchange economy are converted to [common property shares](#) (that is, as more and more property advances to an egalitarian [property position](#), and both private property and the exchange economy itself attenuate), the wealth tax could be calculated on those shares, and contribute directly to the social credits system that operationalizes the Universal Social Backbone. In other words...the exchange economy will itself begin to shrink in overall size and scope, as its functions are replaced more and more by enterprises within the social credits system. And this is one reason why the USB is not really a contradiction, because for-profit business and the profit incentive itself will ultimately be absorbed into the USB over time, transforming them to non-profit activities. A longer-term goal, to be sure, and an indication of transition beyond Level 7 to more morally advanced political economies.

Something that should also be kept in mind is that Level 7 also aims to create highly diffused and distributed enterprises – all the way down to the community level if possible. The idea is to promote localization of production and services, so that community engagement in oversight and planning can have real traction. This also facilitates competition between non-profit and for-profit enterprise at the local, regional and national levels, as well as competition between non-profit collectives for USB infrastructure and services at the local level. Thus the USB and overall economy is itself implemented and managed in a decentralized way, but relies upon universally adopted standards. Another Level 7 objective is to encourage [friendly competition](#) that replaces any antagonistic rivalries, so that the long-term advantages of competing approaches to goods and services can be maintained.

Finally, it should be reiterated that all of this is linked to indexed wage considerations and profit-sharing. From [\*Political Economy and the Unitive Principle\*](#):

"The ratio between the salary of the highest paid individuals in a given field and that of the lowest paid individuals in the same field - as well as what the highest and lowest wages would be, the benefits of seniority, and other aspects of pay structure - could be publicly set through a direct democratic process by the general populace for all businesses that are not privately owned (i.e. for all businesses except sole proprietorships and very small businesses). The same formula could be applied to the ownership of communal property shares. To avoid rapid salary swings, changes could be incremented over time. In addition, the highest and lowest wages across all of society could also be democratically set to reflect their *holistic value* as evaluated and agreed upon by the electorate. In both cases, this wage-setting process could be repeated regularly every few years. Using some combination of consistent calculation factors, this would reflect a more equitable distribution of wages within organizations and across whole industries, especially as some positions between those organizations become interchangeable. To include a competitive variable in this equation, profit-sharing would not be part of these set wages, but in addition to it. However, profit-sharing could also be distributed according to exactly the same wage ratio. There could of course be other profit distribution mechanisms, but the goal is to curtail the stratospheric concentration of wealth in any individual or group of individuals."

Here again the intention is to reflect the values hierarchy expressed in the reframed profit dynamics of the Level 7 exchange economy. This is really something that can be tactically managed within each organization, so that the routinely scheduled public referenda would be advisory, corrective and strategic in nature – part of the checks and balances that facilitate a level playing field via a participatory values hierarchy. Of necessity, therefore, all wage agreements within each organization would be made available for discussion, analysis and debate via the [Public Information Clearinghouse](#). At some point, we might also conceive of a "wisdom-of-the-crowd" AI mechanism that contributes to both wage calculations and intersubjective use values, where human behaviors are organically observed across communities and society as a whole, providing a reliable hint of predictive trends in-the-wild. The more contributing input streams the better, in my view, to synthesize a truly dynamic and culturally responsive calculus.

One obvious casualty of wage-setting consistent with Level 7 values will be competitive or commissioned sales. In fact the entire orientation of sales culture will of necessity shift away from "getting to yes by any means possible," often incentivized by carrot bonuses and stick quotas, as this almost universally results in misleading tactics and manipulative relationships within sales organizations and between resellers and customers. Instead, "selling" will be about actually matching authentic customer needs and preferences with the most appropriate, reliable, high-quality and innovative product or service – even in the case of Veblen goods. And how is this new paradigm incentivized? By the potential increase in value to common property shares for a successful enterprise over time, which will be influenced by long-term community and customer satisfaction - *and much less by quarterly sales performance.*

Now a question that inevitably arises to permeate discussions of for-profit enterprise is: *where do the profits go?* Some portion will of course convert to common property shares, which in turn will be owned by the workers and consumer-members of the cooperative. And some portion will be paid into the USB system via the proposed wealth tax. Some portion will be used to expand enlarge the enterprise or expand its capacities. I think there is ample opportunity to experiment with new allocations and configurations, as well as observe what has worked for existing for-profit cooperatives around throughout recent history. In this instance, we need not reinvent the wheel...just steer it in a more socially productive direction.

Of particular interest is the idea that common property shares are tradable, transferrable, and accumulable. I frankly am still in the process of working out conceptions of this landscape in detail, but this part of what makes communal assets semi-fungible: the representation of their value in currency is dependent on like being exchangeable for like across all zones of economic activity; they are mutually substitutable, with the main limitation being that the residents of a given community (or workers in a particular enterprise) are tied to assets in their local community and workplace. This an important feature of Level 7 both via its representation of subsidiarity and its reinforcement of community engagement and accountability. Along these lines, I think it would be critical for there to be a gradual vesting schedule for accumulating and maintaining distributions

of shares – a period during which a community member or worker-owner's percentage of share allocation or ownership slowly increases (perhaps by 15-20% per year?) until fully vested.

But what if a person moves from one locality to another, or changes employment? My instinct would be to treat such movement similarly to how a primary residence in real estate is considered in our current landscape (albeit without any realtors being involved): assets would need to be relinquished – in exchange for their current value – back to the community and the originating enterprise, with the expectation and restriction that the proceeds be reinvested in a new locality or enterprise within a set period of time, and for the current value of those assets to avoid subjection to a hefty wealth tax. Such a reinvestment – which is essentially a transfer of like for like – would not be taxed, and subject to minimal fees. At the place of origin, the relinquished assets could be held in trust until either a) re-assigned to a new community member or worker/member-owner who becomes fully vested over time; or b) redistributed to existing fully-vested community members or worker/member-owners if the population or workforce remains static or declines.

## **Why?**

As to the whys and wherefores of Level 7's insistence on these values, priorities and approaches, their advantages should be fairly clear to anyone who has studied the deleterious impact of capitalism on civil society – and especially the flavor of capitalism so aggressively and successfully championed by proponents of [neoliberal ideology](#). But for those as yet unfamiliar with the imperative to evolve beyond commercialistic corporatism and conspicuous consumption, I've elaborate upon the central concerns here: [A Case Against Capitalism, Reviewing the Evidence](#). What I am proposing, therefore, is mainly an intentional remedy the problems of modern capitalism. Wherever I have fallen short of this, I am hopeful that others will take up the baton and run with it.

## Universal Social Backbone (Essential Infrastructure & Services) Examples

- **Ubiquitous Technology:** Pervasive internet communication technology and access equality; renewable energy production that is highly distributed and available to all; variations of equally available personal communications technology based on universally implemented standards.
- **End-to-End Mass Transit:** So that regular schedules of bus, trolley, train and plane can seamlessly transport people from within a mile of their homes to within a mile of any other urban or suburban destination on the planet at a relatively low cost.
- **Open Mediasphere:** All media and communications platforms, technologies, frequencies, channels and bandwidths are available to all contributors, and accessible by all consumers.
- **Equitable Legal Systems & Services:** Public funding of all lawyers and legal services; qualified judges appointed to limited terms by lottery and subject to recall votes; juries selected by lottery; adoption of Dworkin's "Law as Integrity" or other consistency standard.
- **Protected Nutrition:** Guaranteed availability of low-cost basic nutrition; a robust and sustainable food supply (organic, genetically diverse, non-engineered); a move away from large, centralized production to more distributed, local production.
- **Universal Public Education:** For all levels of education, in all disciplines, provided equally to all applicants.
- **Universal Wellness Services:** For healing, health, well-being and self-care training and resources in all dimensions, and inclusive of encouraging moral development.
- **Universal Employment Training & Job Placement**
- **Universal Unemployment, Disability & Retirement Insurance**
- **Public Health & Safety Services:** Well-provisioned and staffed fire, police, ambulance, rescue, disaster mitigation, consumer protection, etc.

- **Public Housing:** Temporary public housing when pursuing education, transitioning between jobs or regions, engaging in retraining, holding public office, or during periods of disability, recovery or medical treatment.
- **Member-Owned Banking:** No more privately owned banks; no more privatize profits with socialized risks; no more high-risk speculative instruments.
- **Public Monetary System & Macroeconomic Stability:** Monetary system styled after the Chicago Plan (see “The Chicago Plan Revisited” at <http://www.imf.org/external/pubs/ft/wp/2012/wp12202.pdf>), and a favoring of a stable exchange rate and independent monetary policy over free capital flows.
- **Fundamental Scientific Research**
- **Public Mail & Shipping Service**
- **Reintegration, Rehabilitation & Training for All Non-Violent Criminals**

In conclusion, all such facets of profit – including many not yet explored – will require revisiting and adjusting according to real-world conditions. However, there is no reason to doubt humanity's continued capacity to reinvent itself in response to new knowledge, environments, technologies and systems of governance. In the spirit of Elinor Ostrom's research on Common Pool Resource Management, we just need to appreciate the design criteria that prove the most effective over time, and initiate community-level pilot projects to test those assumptions with broader and more comprehensive scope. In fact, why couldn't there be multiple pilot efforts that compete with each other for reliability, scalability, sustainability and so forth? Regardless of implementation, pushing past a theoretical reframing of profit to evaluating its efficacy in praxis has already become the moral imperative of our time.

# **Integral Lifework Concepts, Tools & Assessments**

by T.Collins Logan  
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## **Introduction**

Integral Lifework aims to provide answers to life's most challenging and intriguing questions: Why do we suffer? How can we heal? What is love? What does healthy relationship look like? How can we feel more empowered? Where should we go for answers? How can we improve our discernment and skillfulness? Such questions are as endless as they are relevant. And when we turn away from external dependence, when we disrupt our habit of consuming answers from authorities and traditions outside ourselves, we can begin to look inward. There, in the depths of our being, is everything we need to soften our most potent fears, relinquish our most disruptive impulses, heal from our most jagged wounds, and actualize our most precious dreams. Why would we ever look elsewhere when such power and grace reside within?

However, the promise of external solutions erupts perpetually around us, and the impulse to worshipfully embrace them is often aggressively reinforced. The cultural and institutional pressures to rely on externals and motivate every action with dysfunctional dependence are as pervasive as they are resistant to change. But that way lies madness. External projections of hope are a tonic not for healing, but for a perpetuation of every known malady and the invention of new ones. Science and technology, for instance, cannot rescue us from ourselves but only replace one set of challenges with another. The free market may commoditize innovation and creativity, but it cannot solve any of our most difficult societal problems. Religious dogma cannot escape its orbit around dominant cultural memes, but instead conforms to them over time, no matter how revolutionary its foundations may have been. And the heady heights of acquired knowledge – even those insights that can truly set us free – are not the same as the deliberate, steady and disciplined effort of self-emancipation. There is in fact nothing completely outside of our fragile vessel that will deliver us from barriers to well-being or create a transformative existence on our behalf. We do not bear this burden alone, but we alone are accountable for our choice to heal, grow and evolve. The answers, resources and rewards are all within us.

A friend of mine recently asked: “Do people really change?” I think to answer this question we must first realize that many culturally sanctioned modes of being have conditioned us to live in contradiction to who and what we actually are. So what feels like positive change may really just be letting go of that conditioning, disabusing ourselves of a false identity, and disconnecting our ego and willfulness from those old habits. What can then draw us towards our genuine center is the discovery that gratitude and love are already there within us; they are part of our nature – *dominant* parts, in fact, that can govern most other aspects of our existence if we allow them to. Through mindful interior awareness we will find this truth and unveil an abiding connection with our ground of being, informing loving actions with insight and wisdom. Thus real, substantive transformation is mainly a returning to Self, a gradual *dis-illusionment* that discards substitutions in favor of authentic nourishment. Do people really change? Yes, absolutely. With true love as our compass, we can become more and more ourselves.

What is this critical aspect that resides within? What part of us promises real freedom, strength and transformation? It is our capacity to embody *agape*, to affectionately and compassionately care for all that we are – as individuals, as a collective, as part of the biology and energy systems of the Earth, and as part of the fabric of the Universe itself. Once we begin to embrace our own essential substance, turning away from the superficiality, conformity and half-truths of everything we think we want and everything we think we know, we can encounter the solid bedrock of our existence. And when we touch that solid ground, when we feel its boundless energy and concrete importance, there is no turning back. We can either attempt to deny our soul, or embrace the inevitable momentum of love-consciousness and its evolutionary consequences. This is the central purpose of Integral Lifework, and all of its concepts, tools and practices support that end.

The following are intended as quick references to such concepts, tools and practices. All of these plot along a dialectic arc where interior development is always accompanied by exterior actualization; they all radiate out from the same center and are bound together as inexorable progression, so that their interdependence becomes clear upon careful examination. That said, there isn't much exposition on theory here, so the relevance and context for most of this would need to be understood from the books, essays and other resources developed around Integral Lifework over the last dozen years, and from which most of these tidbits are excerpted. You can access many of these resources, along with further explanations of Integral Lifework itself, at [www.integrallifework.com](http://www.integrallifework.com). Many other related writings, including those which address ethics, politics, economics, and many other topics inspired by my own Integral Lifework practice, can be found at [www.tcollinslogan.com](http://www.tcollinslogan.com). But as with any transformative practice, the most compelling validation will always be experiential rather than theoretical.

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## 1. Relationship Matrix

The following chart provides ways to evaluate existing relationships and understand the dynamics of new relationships as they are formed. The premise is simple: there are many different levels of attraction and involvement, and unless there is a transparent, mutual understanding of what specific combinations apply to any given relationship, we are liable to either be disappointed and frustrated with our experiences, or to inadvertently disappoint and frustrate others.

<p><b>Level of Commitment:</b></p> <ul style="list-style-type: none"> <li>A. <b>Profound</b> (there has never been a question about this being a lifelong and mutually committed relationship)</li> <li>B. <b>Pronounced</b> (one of our closest and most important relationships)</li> <li>C. <b>Moderate</b> (social bonds like work relationships, those between doctors and patients, family members who aren't emotionally close to us, etc.)</li> <li>D. <b>Mild</b> (general commitment to social expectations, such as conforming to laws or traditions)</li> <li>E. <b>Dysfunctional</b> (obsessive, addictive, or compulsive)</li> </ul>	<p><b>Type of Affinity or Attraction:</b></p> <ul style="list-style-type: none"> <li>1. <b>Spirit</b> (a inexpressible but deep attraction that shares a common understanding of events in the context of spiritual priorities)</li> <li>2. <b>Heart</b> (sharing mutually important values, goals and attitudes – including spiritual ones)</li> <li>3. <b>Mind</b> (intellectual affinity – thinking alike or understanding each other's thought process with surprising ease)</li> <li>4. <b>Physical</b> (enjoying how someone looks or moves, the sound of their voice, their smell, etc.)</li> <li>5. <b>Sexual</b> (sexual attraction)</li> </ul>
<p><b>Circle of Intimacy:</b></p> <ul style="list-style-type: none"> <li>I. <b>Devotional</b> (wide open passionate worship that knows no bounds)</li> <li>II. <b>Soul Friends</b> (deep spiritual trust, openness, sharing, mutual support and inspiration)</li> <li>III. <b>Companionship</b> (a comfortable closeness, frankness and mutual trust)</li> <li>IV. <b>Compassionate</b> (an unconditional acceptance and desire to relieve suffering – often initially one-sided)</li> <li>V. <b>Convenience</b> (sharing common, cooperative goals for a limited duration)</li> </ul>	<p><b>Level of Social Acknowledgement:</b></p> <ul style="list-style-type: none"> <li>a. <b>Public</b> (everyone knows)</li> <li>b. <b>Immediate Community</b> (only our closest friends know)</li> <li>c. <b>Private</b> (i.e. "just us" – we only acknowledge it between ourselves)</li> <li>d. <b>Self</b> (we know, but we haven't shared with anyone else – even the other person with whom we feel a connection)</li> <li>e. <b>Unknown</b> (a relationship already exists, but we haven't consciously acknowledged it to ourselves)</li> </ul>

Consider the many flavors of emotion and intention represented in the chart, and reflect on past relationships that have failed in some way. Is there a correlation between the type of connection you anticipated and what you actually experienced? Would the relationship have recovered if either of you had been willing to accept what the other offered, without confining it to preconceived notions of what "should have been?" In

seeking out new friendships, have you been clear in your communication of the levels of connection you are willing to offer and receive? With this matrix in mind, what dynamics can you identify in your current relationships that might be the result of unexpressed or unclear valuations in each area?

This approach can be used for all kinds of interpersonal relationships, each with its unique combination of factors. For instance, one or more levels of Affinity may apply (i.e. we might share both a “Mind” and “Heart” Affinity with the same person). It then becomes that much more complex when one person feels multiple levels of Affinity or Attraction, while the object of their affection reciprocates on a different level. When two people have completely dissimilar understandings of what attracts them, what level of social acknowledgement exists, or what kind of intimacy is expected, the potential for disappointment, frustration and/or conflict is high.

### *Exercise*

Print out two copies of the Relationship Matrix chart, and invite one or more members of your closest relationships to “rate” each area of your relationship while you do the same on the second copy. Be honest and considerate in your assessment – perhaps spending a day or two contemplating it – then sit down together and compare your ratings. Be prepared for surprises. You may find your connection affirmed in new ways, or you may find an area of difference that requires more discussion – it is, in fact, very likely that such a difference has caused tension in the past.

## 2. Integral Lifework Nourishment Assessment

For all thirteen areas of essential self-care, there will be a range of what constitutes high quality nourishment in each dimension, a range that will change from person to person, and even for the same person over the course of their life. In order to measure this, I developed this simple self-assessment to create a discussion around self-care. There are many ways to evaluate how we are doing in these areas, but one way is to rate your level of satisfaction in each dimension, taking your time to observe and weigh your levels of skillful nurturing, satisfaction and contentment from day-to-day. What I've also found is that one of the best ways to gain insight into this area is to not only complete the Assessment yourself, but to have a couple of close friends or family members complete the Assessment on your behalf, offering their own opinions with honesty, humility and compassion. It is important to let each person finish the assessment independently before comparing or discussing them.

In the chart on the following page, consider the combination of intentions, practices, habits and natural rhythms in your life that contribute to the nourishment of each dimension, and rate them according to the following values:

1. Extremely dissatisfied, doing very poorly
2. Slightly dissatisfied or doing a bit poorly, below expectations
3. Satisfied, doing okay, though could still improve
4. Satisfied and content, meeting expectations
5. Extremely satisfied, doing very well, above expectations

When someone else is evaluating you, they will use the same values to indicate how well they feel you are doing in each area (I suppose you could say it will be their level of satisfaction, because they care about you). After everyone has completed the exercise, take some time to compare how you rated yourself in one dimension with how other people rated you there. Did the observations of others align with how you see yourself? If not, why do you think that is the case? Did all dimensions have fairly similar ratings – are they in balance with each other? Are there areas you would like to improve? If you discover one or more aspects of yourself that may be undernourished, consider giving them some special attention over the next week or two, providing targeted care, compassion and nurturing for those dimensions. Then, if you try this assessment again at a later date, you will be able to track how your self-care changes over time – and of course you can have others retry it as well.

	<i>Rate</i>	<i>Notes</i>
<b>Physical health and well-being</b> – consider diet, exercise, physical strength, energy, quality of sleep, chronic or recurring illness, managing weight, and overall sense of well-being. Are you happy with your body? Is your body happy with you?		
<b>Positive emotions, creativity and self-expression</b> – consider self-expression, honesty and authenticity in communication, regular creativity and imagination, overall happiness and contentment, sense of playfulness. Is there lots of joy?		
<b>Relationships and social acceptance</b> – consider quality of friendships, feeling appreciated and valued, regular expressions of affection between you and friends and family, overall sense of connectedness and intimacy, and sense of belonging.		
<b>Learning and intellectual stimulation</b> – consider regular exposure to new ideas and opinions, excitement about learning, diversity of interests, mental alertness, overall sense of intellectual curiosity and openness, and ability to think carefully and critically. Do new ideas and information excite you? Are you curious?		
<b>Accomplishment and fulfillment</b> – consider satisfaction over career, hobbies and life’s work, sense of overall purpose, excitement about plans and goals, strength of focus, and your endurance and follow-through. Do you feel purposeful each day?		
<b>Spiritual Ground</b> – consider the strength and consistency of connection and relationship with Inner Light, Divine Presence, Spirit, Spirit Guide(s), Soul, Spiritual Realm, Ground of All Being, Essence, Universal Consciousness or other spiritual dimension; consider ability to convert that into action, especially generosity of time, energy and resources, and regular gratitude. Is your spirit thriving?		
<b>Healing of the past</b> – consider level of peace, tranquility, forgiveness and healing around any past events, as well as the quality of relationships with all family members in the present. Do you get along well? Is there lots of love?		
<b>Legacy, pleasure and reproduction</b> – consider quality and character of what will be left behind after your death, the frequency of pleasurable experiences, and the sense of safety and stability in the home environment. Do you feel secure?		
<b>Ease of shifting between different modes of processing your experiences</b> – evaluate how easy it is to move from a logical, intellectual way of thinking to a felt or intuitive mode of being; or from being grounded in the body’s felt sensations and messages to analytical thought; or from any of these to a deeply spiritual space within; or from any one of these to any other. Do you feel flexible?		
<b>Self-concept</b> – consider self-confidence and possession of a clear and accurate awareness about your own strengths and weaknesses; consider compassionate acceptance of own faults and idiosyncrasies while at the same time being able to remain humble. Do you feel courageous? Do you respect yourself?		
<b>Sexuality</b> – consider level of satisfaction with sex life, level of genuine intimacy and sensitivity with your body and your partner, quality of physical openness, enjoyment of own body, and confidence with sexuality. Are you satisfied?		
<b>Integrity</b> – evaluate your ability to harmonize thoughts and intentions with words, words with actions, and actions with taking responsibility for the consequences of those actions. Do all of these align with each other?		
<b>Artful will</b> – consider how often you feel “in the flow,” where everything in your life feels like it is in harmony, where synchronicity happens and you sense you are moving in the right direction. Contrast that with how often you feel frustrated and “out-of-synch.” Do you feel like the stars are aligning for you (5), or do you feel thwarted (1)?		

### 3. Insight into “the Good of All” as Guiding Intentionality



If we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we begin to arrive at values hierarchies that are not only internally consistent, but energize a clearly defined nurturing and transformational process amid complex and competing priorities. To state this principle in another way: without the cofactor of love, the nutrients available to different dimensions of our being cannot be properly metabolized. You could even say that a paucity of love is our greatest barrier to wholeness and well-being. The felt experience of compassionate affection must develop in parallel with every other aspect of self; it is both a prerequisite and product of nurturing efforts. Authentic love is also the fullest expression possible of our particular level of moral development; it progressively defines what we value and encourages how courageously we act on those valuations. This leads to one way we can define love-consciousness: love that has become fully conscious within us, producing a sensitivity that is wholly infused with *agape* and invested in ever-expanding arenas of compassionate action. Another way to say this is that our moral development reflects the maturation of love within us, and this in turn defines how skillfully we can achieve multidimensional nourishment for ourselves and throughout all of our interactions. Our energy exchanges with others and our environment – at all levels – become the very currency of love and the evidence of its sovereignty in our life.

In this way all energy exchanges are framed within a broader context. A meal lovingly prepared for us by a friend is a lot more satisfying than a quick snack alone. Adorn that meal with a special occasion – a favorite holiday, a birthday, an anniversary – and it becomes memorable as well, nourishing our heart and spirit. In the same way, when we approach the thirteen nourishment dimensions of Integral Lifework with a consistent,

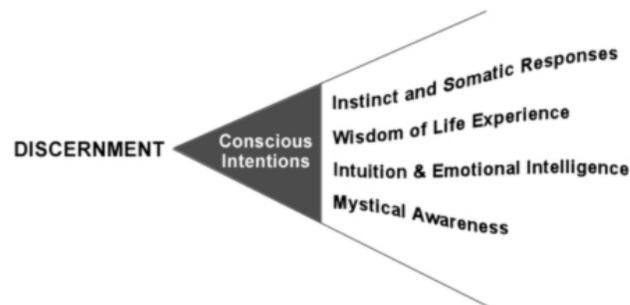
guiding intentionality behind our actions, we enhance the value of our practice. If we care about what we are doing because it supports a deeper conviction about why we should act, then we can make choices with more confidence and execute them with more zeal and perseverance. This is how intentions impact our nourishing style and capacity. In one way, love itself performs this supportive function, and when we are immersed in love-consciousness we tend to act from that state of being without calling upon anything greater. Love justifies itself. But what supports love? What is the governing intention behind the will to be caring and compassionate? Often we will find that the life purpose we identify for ourselves fulfills that function, acting as a backdrop against which all decisions can be measured. But what is the backdrop for our backdrop? What supports us when we temporarily lose our personal vision, or fall out of love for a while, or stumble across new barriers that seem intimidating or insurmountable?

One answer many traditions offer us is an overarching desire for the good of All. That is, what benefits everyone, including ourselves, to the greatest degree. Before making any major decision, if I ask myself “is this for the good of All?” I can begin aligning my intention with a higher stratum of moral valuation and a broader, more inclusive purpose. I may not always know for a certainty the answer to that question, but if I ask it, I am at least examining my own heart for any signs of willfulness, and offering up an eagerness to participate in something greater than my own ego-gratification. And creating that softness of heart, that willingness to align myself with a greater good, opens a channel to wisdom and insight.

You might be asking: “Wait a minute, how can we ever know for certain what the good of All really is? Isn’t that kind of bigheaded?” And of course that is one of the dangers. If we assert that we have been granted some special dispensation to stand for good in the world, and that therefore whatever we desire is for the good of All, then we can fall into a classic trap of willful ignorance amplified by unrepentant arrogance, and lose ourselves in megalomaniacal delusion. At the other extreme, if we deny our innate capacity for wisdom and discernment, submitting instead to a sense of helpless inevitability, we will annihilate our potential for conscious contribution to all-inclusive beneficial outcomes. So embracing a guiding intentionality requires just the right balance of courage and humility, relying on an inner conviction, a certainty of faith, that the good of All is possible – perhaps even inevitable – and that we can and will contribute to it. We are confident not in our having the perfect solution, but in our willingness and eagerness to be part of a solution. Our fundamental belief that the good of All deserves to be manifested and indeed cries out to be manifested is what calls us forth and draws us onward.

#### 4. Encountering Discernment in Neutral Awareness

Creating neutral awareness is a potent kind of watchfulness, because no one idea or experience is allowed to dominate, and competing convictions, emotions, and tendencies of will can be held simultaneously without anxiety or drama. There is no sense of conclusion, because we remove ourselves from direct contact with all these simultaneous considerations. We can calmly harness our thoughts, emotions, intuitions and sensations in a web of *seeming* incongruity and overwhelming information, and still be at peace. In fact, from this suspended state, we will often discover surprising interconnectedness. We can see patterns which unify, which show us how diverging ideas or evidences are not as mutually exclusive as they once appeared – for there is almost always interaction and overlap between all forces and fixed points, no matter how far apart they at first appear to be. We discern new relationships, harmonies and coalescences, and when we cannot immediately reconcile one observation with another, the uncertainty does not disturb us. I use the term “the art of suspension” to describe the cultivation of this neutral awareness. It welcomes us into this space of all-encompassing neutrality, conditioning our mind for a meta-cognitive process whereby everything can be definite, but nothing certain, thus providing us a powerful method of accessing wisdom and discernment.



One way to invite neutral awareness is through a kind of meditation that is, well, more like non-meditation. Just sit comfortably, close your eyes, and let yourself be still. For many of us, our thoughts, emotions and physical sensations will keep trying to overtake our attention. But if we free that attention entirely from any specific focus, and settle into a receptive quiet from which all stimuli – the chatter of our thoughts, the aching in our muscles, the sounds around us, the emotional tension of our day – fall away from our conscious focus, we can begin to intuit what really exists within the remaining silence. As with all forms of meditation, it is important to avoid willing our minds into or away from anything. Instead, we can begin by being attentive to each feeling, thought or sensation that arises, resting in them a while without reacting to them and just letting them be. Then, as naturally and effortlessly as they have arisen, we can let them go. A bird rises on invisible currents, its wings unmoving, then vanishes from sight. When held gently within our guiding intention to invite the good of All, such letting go is a returning to an emptiness that is neutral, acquiescent, and brimming with fullness at the same time.

## 5. Contemplative States & Emotional Transformation

Although various traditions of contemplation, meditation and prayer have different numbers of states, stations or stages, and uses different names and subsets of characteristics – emphasizing heart over mind, mind over heart, or transcendent sense over both heart and mind – I would hypothesize that the contemplative-emotive process outlined below occurs intuitively throughout all of them, even where it is not specifically identified. If this is indeed true, then the contemplative-emotive model can be used to design an integrated meditative practice. It can also be used gauge the aftereffects of our experiences and to measure our actualization of transformative insights. Without being distracted from a tranquil, compassionate and empowered existence, we can consider these states as we move forward, evaluating the impact they have on our life. But we must also remember a most important caveat in any meditative journey: if we are forever trying to pursue, interpret, define and compartmentalize “moments of enlightenment,” we will be preventing the enrichment of our being by holding on to such ideas. Instead, we can continually refresh the habit of letting go, and simply enjoy the indescribable Light that flourishes within and without.

“Just as catching a fish takes as long as it takes for the fish to bite, so it is with meditation. There is no guarantee the fish will bite today. We must simply work and accept the results when they come.” Tsung Hwa Jou, *Tao of Meditation*

Contemplative States	Cycle of Emotional Transformation
1. <b>Simple Reflection:</b> We become consciously aware of all phenomena and begin reflecting on them.	1. <b>Recognition:</b> We recognize and acknowledge our current emotional state.
2. <b>Contemplative Self-Awareness:</b> We become consciously aware of the process of <i>simple reflection</i> as it occurs in us from moment-to-moment, observing and evaluating the qualities of this process.	2. <b>Examination:</b> Without judgment or overreaction, we examine and accept our emotions.
3. <b>Suspended Valuation:</b> We consciously suspend valuation altogether, and just observe our experiences, thoughts, feelings and physical sensations without placing them in the context of our values, beliefs or assumptions.	3. <b>Admission:</b> We admit to ourselves that change would be beneficial – that having a different emotional state would be more healthy and productive.
4. <b>Non-Thought Awareness:</b> We let go of both valuations and any thought process, entering into a state of mental, emotional and sensory quiet – even though we may still be consciously observing this state in ourselves, we do not reflect on it.	4. <b>Detachment:</b> We let go of the counterproductive feelings – that is, relax our emotional state until is greatly diminished, or dissipates completely. We may also choose to relinquish some of the underlying beliefs or assumptions that brought this state about.
5. <b>Non-Thought Non-Awareness:</b> We stop acknowledging even the supersensory, just as we did the sensory, and directly experience the bedrock of our own existence – the foundations of our sense of self and our relationship to the Universe.	5. <b>Equilibrium:</b> We achieve a state of neutral and objective calm where we can decide in which emotional direction we wish to go next.
6. <b>Non-Being Awareness:</b> We cease to discriminate	6. <b>Commitment:</b> We choose a specific new emotional direction and begin to actuate that state.
	7. <b>Action:</b> We facilitate and support the newly chosen state with reinforcing actions, thoughts, beliefs, experiences, etc.

<p>between the state of non-thought non-awareness and any independently constructed sense of self – we come to identify ourselves with this state and thus develop a subjective submersion in “non-being.”</p> <p>7. <b>Non-Being Non-Awareness:</b> Where self-awareness and other-awareness – and any acknowledgement of subject and object – completely evaporate.</p>	<p>8. <b>Evaluation:</b> We review the efficacy of our patterns of thought, emotion and behavior to see if they actually reinforce our chosen state.</p>
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The tacit implication of meditation, contemplation and prayer is that clear targets for emotional transformation will arise as a natural course of practice. However, it is helpful to capture some of the themes and characteristics that frequently occur across many different traditions regarding a “Healthy Emotional State” or an “Unhealthy Emotional State.” From a purely evolutionary perspective, the prosocial benefits are fairly obvious, so these can also be appreciated in terms of psychological, social and moral development.

Healthy Emotional State	Unhealthy Emotional State
Courage to defend the well-being of Self and others, with patience and forbearance	Indignant, self-righteous rage, which is easily provoked and unconcerned about the damage it inflicts
Compassionate desire to nourish others with wisdom and kindness, while at the same time sustaining our own well-being	Compulsive need to rescue others without considering our own well-being or what is truly best for those being “rescued”
Love that has no conditions or expectations attached to it, and that patiently accepts another’s shortcomings	A desire to control disguised as attention and devotion, but which impatiently demands specific reciprocation
Self-controlled ordering of effort according to what supports our values system	Impulsive submission to every urgent or self-indulgent whim without a thought for what is important
Patience for, and an attempt to understand, those who oppose or antagonize us	Fear, paranoia and hatred of things we do not understand
Gratitude and forgiveness	Resentment and divisiveness
Acceptance and flexibility with whatever comes our way	Resistance to change and panic when things seem out of control
Honesty and openness	Avoidance, denial and deception
Peaceful and supportive internal dialogues	Chaotic and demeaning internal dialogues
Admiration and encouragement	Jealousy and criticism
Contentment in any situation, rich or poor, because our focus is on the quality of our relationships, operationalizing values and deepening our wisdom	Greed and avarice: a compelling desire to possess material power and wealth
Guilt and shame, which resolves into humility and a renewed commitment to growth and maturity	Perpetual, unresolved guilt and shame, which injures self-esteem and cripples any ability to change
Vulnerable and joyful sharing of sexual intimacy in the context of socially responsible, mutually considered relationships	Wanton lust: an immersion in carnality without considering emotional, interpersonal or societal consequences
Mutual inspiration to greater achievement through fair-spirited competition and/or cooperation	Egotistical competitiveness, which craves victory at any cost
Confidence with humility	Self-aggrandizing arrogance
Taking pleasure in the success of others	Taking pleasure in the suffering of others
Hope and faith in positive outcomes	Despair and pessimism: presuming doom

## 6. Foundational Meditation Exercises

### *Gratitude Meditation*

1. Objective: Between 15 and 75 minutes of continuous meditation each day. If you can, insulate this with a buffer of five minutes before and after so it doesn't feel rushed, and so you have time to reflect on your experiences.
2. Find a quiet place to sit and relax where you won't be interrupted or distracted, and begin your meditation with an inner commitment to a broader goal than just personal edification, i.e. "May this be for the good of All."
3. Relax every part of your body. Start with your hands and feet – perhaps moving them or shaking them a little to release tension – then your arms and legs, then your torso, head and neck.
4. Breathe deeply and evenly into your stomach, preferably in through the nose and out through the mouth, so that your shoulders remain still but your stomach "inflates." Practice this until you are comfortable with it.
5. In the middle of your chest, just above and behind your sternum, gradually fill your heart with gratitude. It need not be directed at anything or anyone, but you could shape this as an offering to the Source of Life, or Nature, or Deity, or simply to the present moment.
6. Begin with a small point of feeling, and allow it to slowly spread with each breath until it fills your whole being. For some, it may be helpful to visualize this spreading gratitude as light emanating from a point in the center of the chest. Maintain this state for as long as you can.
7. As other images, sensations, feelings, or thoughts arise, let them go and return to your offering of gratitude.
8. If you become disquieted, uncomfortable, jittery, or severely disoriented, try to relax through it. If the sensations persist or become extreme, cease all meditation for the day.
9. Afterwards, give yourself emotional space and time to process what you have experienced. Just *be* with what has happened without judgment or a sense of conclusion.

### *"Just for Today" Daily Reflections*

Another approach to interior discipline is to reflect in a structured way on concepts that commonly fall within mystical experience, or that frequently surface in mystical writings. To this end, I have provided a list of daily reflections below. Because these

can accompany other activities, they may be a helpful starting point for some. Pick two or three at random that appeal to you, copy them down to take with you, and try the “Just for Today” reflective practice on for size. Throughout the day, speak them aloud or silently as questions, as affirmations, as declarations. Apply them thoughtfully to your interactions and your responses in each new situation. Try to feel each of them in your heart as a hope, as a desire, as a belief, and as an acceptance of what already is.

As one example of practice, you might enjoy reciting them each morning while going for a walk – a continuous walking reflection of perhaps thirty minutes. After speaking each phrase aloud or silently, listen to the silence afterwards, noticing the reactions of your heart, mind, body and spirit. When finished, open yourself to whatever is around you and revel in the present. In the evening, try repeating this process as a reconsideration of your day. Each reflection can be directed toward ourselves, toward others, toward all that we understand to exist, toward Deity we worship, or even toward the unknown. There are therefore many implications for each phrase. Repeating the reflections, each time with a unique audience or objective in mind (or none at all) can evoke new meaning and have surprising impact on our lives even after years of repetition.

1. Just for today, patience and acceptance in all things
2. Just for today, nothing has to be wrong
3. Just for today, acknowledgment without prejudice in every situation
4. Just for today, courage to be compassionate and kind to all
5. Just for today, embracing the realm of Nature as part of Self, with honor and respect for All
6. Just for today, remembering the well-being of others, nourishing them through being well
7. Just for today, transforming all things into the good of All
8. Just for today, faith which far exceeds all hopes, desires and fears
9. Just for today, insight and understanding into fruitful conduct
10. Just for today, listening from stillness, and seeing what is
11. Just for today, confidence without arrogance, and humility without passivity
12. Just for today, clarity and sincerity in purpose and intentions
13. Just for today, balance in caring for the house of Self and all the selves within
14. Just for today, tranquility in relinquishing ego, and flowing with the Source of Life, Liberty, Love and Light
15. Just for today, a generous spirit, free from attachment and expectation

16. Just for today, being in the now, without illusions
17. Just for today, honesty and integrity in all situations
18. Just for today, thoughts and words that edify, encourage and inspire
19. Just for today, with each breath, breathing in wholeness and vitality
20. Just for today, diligence and mindfulness in every moment
21. Just for today, persisting gratitude from the heart, and celebration in every action and interaction
22. Just for today, filled with Divine laughter, the heart sings
23. Just for today, ease and simplicity in every choice
24. Just for today, a living example with conviction and contentment
25. Just for today, creating something, destroying nothing
26. Just for today, great care with whims and wishes
27. Just for today, the soul is never compromised

### ***Mantra Meditation with Visualization***

1. Objective: Between 15 and 75 minutes of continuous meditation each day. If you can, insulate this with a buffer of five minutes before and after. It is best to practice this meditation only after several weeks practicing the Gratitude Meditation above.
2. Find a quiet place to sit and relax where you won't be disturbed or distracted, and begin your meditation with an inner commitment to the golden intention.
3. Relax every part of your body. Start with your hands and feet – perhaps moving them or shaking them a little to release tension – then your arms and legs, then your torso, head and neck.
4. Breathe deeply and evenly into your stomach, preferably through the nose, so that your shoulders remain still but your stomach “inflates.” Practice this until you are comfortable with it.
5. Begin the “four-fold” breath – that is: breathe in slowly, hold for the length of a breath, breathe out slowly, rest for the length of a breath. Practice this until you are comfortable with it.
6. On the inhale, say the first part of this mantra, “The Sacred Self,” with your internal voice. During the held breath, hold this thought and let it fill you.

7. On the exhale, say the second part of this mantra, “in All is One,” with your internal voice. During the rest period, relax into this thought; let it permeate your being with acceptance and certainty.
8. As images, sensations, feelings, or thoughts arise, let them go and return to the mantra.
9. As you become comfortable residing in this mantra, add a progression of visualizations. First, imagine someone you respect or admire sitting facing you and continue the mantra. After a time, change the visualization to someone with whom you have a loving, mutually respectful relationship. Lastly, change your focus to a person you do not like, who is antagonistic to you or your way of being, or with whom you have not found any common ground. Maintain your visualization of each person for as long as possible.
10. If you become disquieted, uncomfortable, jittery, or severely disoriented, try to relax through it. If uncomfortable sensations persist or become extreme, cease all meditation for the day.
11. Give yourself space after your meditation to process what you have experienced. Just *be* with what has happened without judgment or a sense of conclusion.

## 7. Fred's Thought Experiment & Our Relationship with Meaning

### *Fred and the Bubble of Nothingness*

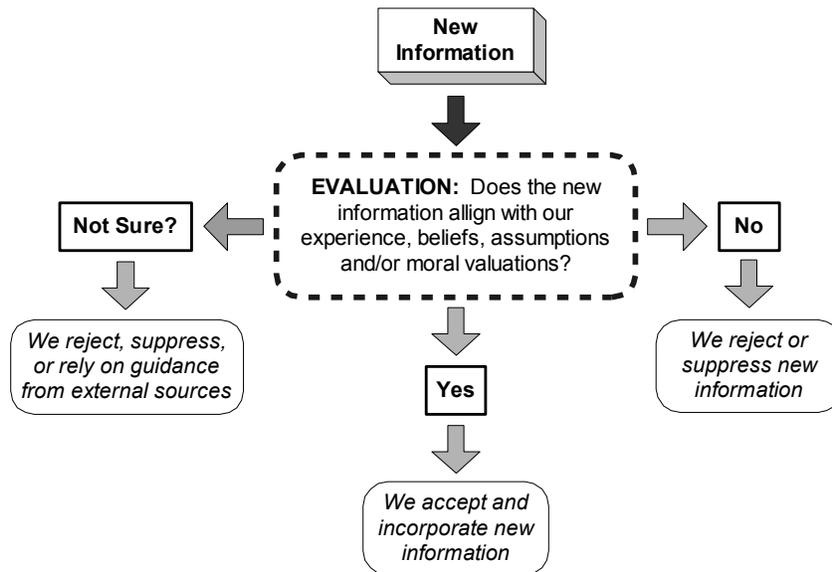
Imagine a bubble of nothingness. Absolute nothingness. Not even a thought can penetrate this bubble. Not even an all-powerful Deity, for the non-space and non-time inside this bubble don't even exist and have never existed. It is, in fact, a nonexistence that preceded even our conception of it, in the moment before these sentences were written or read. Inside this bubble of nothingness lives a fellow named Fred. For my own entertainment, I like to imagine him wearing a burgundy sweater and gold wire glasses, sitting at an immense roll-top desk of some richly grained hardwood. Fred is humming to himself and thinking about the essence of his reality as it flows in all directions around him; he does not perceive himself to be in a finite bubble at all. What to us is a non-concept of nonexistence is, in fact, Fred's ever-expanding universe – albeit of “nothingness.” Taking a sip of hot chocolate, Fred imagines a realm that utterly contradicts his own: a realm of existence, complete with galaxies, spiritual forces and sapient beings. He even imagines you reading about him right now. But from Fred's perspective, his own universe occupies everything that has meaning and reality for him, and all that exists for you and me is trapped within Fred's bubble of rich – but objectively finite – imagination. Just as we view Fred as a negation of *all that is* for us, Fred views us as a negation of *all that is not* for him.

Then Fred moves on to other thoughts, and you yourself finish reading this description of Fred. Soon, both of you have pretty much forgotten about each other, but a question remains: what is the meaning of Fred to you? And what is the nature of everything in our Universe – everything that we can ever imagine or experience, even an all-encompassing, all-powerful Deity – to Fred? Clearly, with a shrug and another sip of hot chocolate, Fred can dismiss everything that we are, and all that we dream we are, as completely insignificant, just as we can easily dispense with everything that Fred imagines he is – Fred doesn't exist, after all! This shows us how the contrast between our conception of reality and our direct experience of reality necessitates meaning, and how all meaning is therefore interdependent – that is, created by the context of one thing relating to another. This is not only true for the extreme dichotomy of existence and non-existence, but also for every subtle gradient of differentiation we perceive both in the external Universe, and in ourselves. Externally we differentiate a beautiful flower from a bothersome weed, a refreshing rain from an overwhelming deluge, a pleasant fragrance from a cloying stench, or an exciting adventure from a terrifying crisis. Internally we compare and contrast the inspiring flame of passion and the destructive heat of anger, overconfident knowledge and humble wisdom, a humorous observation and a demeaning jibe, a brilliant insight and deluded insanity. And with each choice to separate and evaluate what we encounter, we perpetually construct and support all of our most fundamental beliefs.

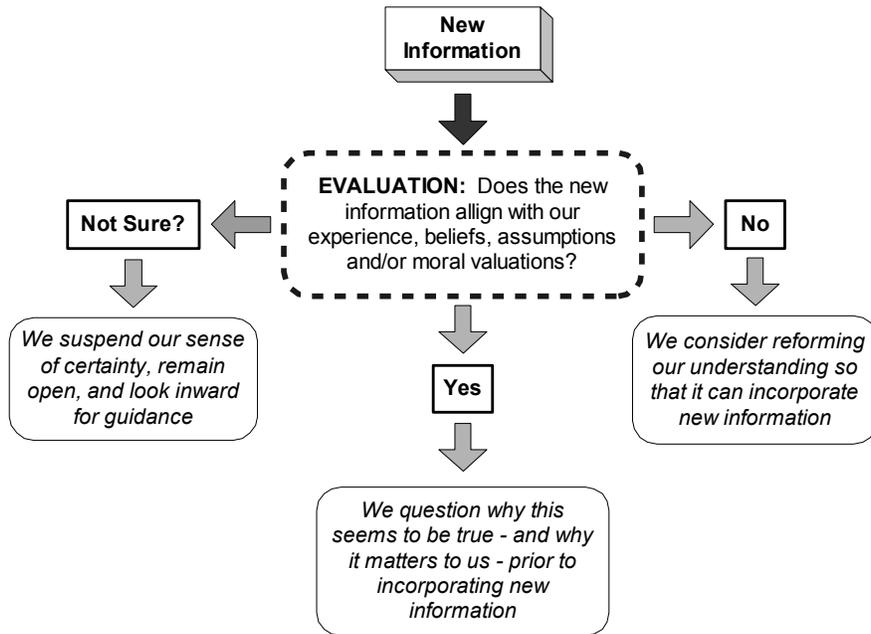
### *Passive vs. Active Assignment of Meaning*

What if we let go of our assumptions? What if we pretend, for the sake of stepping into a different perspective, that despite all we have learned we have *no idea* what anything in our life means? To be free of any presumption of meaning would allow us to accept whatever we encounter without prejudice, wouldn't it? That is, we would be able to experience events without confining ourselves to a predetermined valuation of those experiences. And as we greet each experience with unconditional acceptance, a new confidence emerges: that we can *decide* the value of something, instead of accepting what our habitual thinking tells us. Such a state of conscious neutrality – leading first to unconditional acceptance, and then to an intentionally interdependent construction of meaning – empowers us to exit the prison of our own arrogance, and open ourselves to whatever truths are present *in this moment*. This is the key to the door of an ever-expanding *multidimensional* perception, because we can then explore information outside of our habitual thinking and culturally programmed definitions using every dimension of our being.

### *Passive Assignment of Meaning*



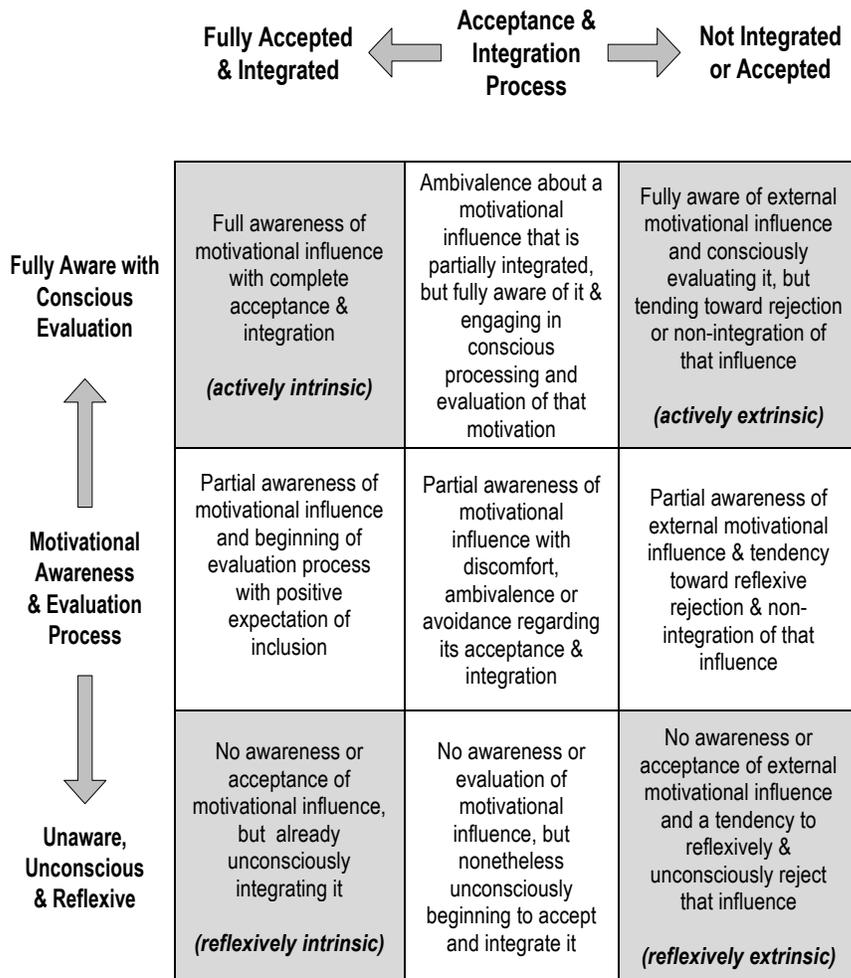
*Active Assignment of Meaning*



## 8. Primary Drives, Fulfillment Impulses, Motivation & Functional Intelligence

### *Motivational Awareness & Integration Process*

Cognitive psychology has frequently ascribed two categories to motivation to help explain it: that which influences us to react because it is imposed on us from outside ourselves (extrinsic motivation), and that which we generate internally to compel ourselves into action (intrinsic motivation). What is really being described here is, I think, a graduated shift from motivational influences we have not yet accepted or integrated and which, consequently, we respond to in more reactive or reflexive ways, and those motivational influences we have fully accepted and integrated into our conscious way of thinking. The chart below captures the array of motivational responses that can occur when the evaluation and integration axes interact.



When we look at this chart, we can generate a working definition of what the extremes of the intrinsic/extrinsic spectrum really are. Either we are being driven by reflexive impulses or by conscious decisions; either our actions are governed by external influences or by internalized values. The ideal state, of course, is to be consciously aware of our motivational process, and at the same time be able to integrate what we value into our current mode of being. Am I able to find contentment and serenity within myself regardless of my circumstances from moment to moment, or am I constantly reacting to my environment in a reflexive and unconscious way? Am I able to feel compassion and affection spontaneously and without preconditions, or do I rely on others to demonstrate their feelings or fulfill certain requirements before I can express love? Have I created an interior purpose to energize me and draw me forward through my day, or do I respond to an environment's demands on me without thinking about it? Are the reasons I do things from moment to moment consciously justified and intrinsically valued, or unconsciously accepted after they have been externally imposed? I think this may be a useful model of what "extrinsic" and "intrinsic" motivations really represent.

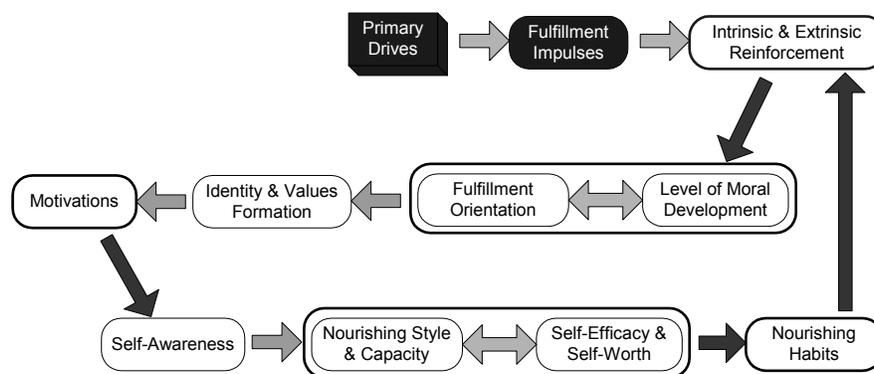
Whatever our motivational pattern is, it is not set in stone. We always have a choice to shift from reflexive and external dependencies to conscious and internal self-sufficiency. In fact, that is something we tend to do naturally over time anyway. We begin life totally dependent on the guidance of our parents and the boundaries set by our environment, but slowly we integrate that guidance and those boundaries into our self-governance. And at some point we will probably even question those integrated guidelines, synthesizing new ones from our own questioning and some new experiences. So we always have a choice. What influences us most to rely on our internal compass instead of external pressure? I think it is habit. There is tremendous comfort and security in familiar, unconscious habits, and breaking free from them can be a scary undertaking. But if we decide to consciously process how we are reacting to various situations, we can begin to challenge those habits and break free from unhealthy patterns. So the compelling question is not what motivates us, but how aware we are of what motivates us.

But why does it matter? Because without appropriate, compelling, immediate, internally generated motivation, our efforts can have oppressive and even crippling effects over time. When we push ourselves forward on autopilot, relying on decisions we made years previously or on external structures that guide our responses, our emotional life will become flat and disinterested and our efforts strained. When our responses are dependent solely on such habits or the pressures of our external environment rather than internal inspiration, we may even unconsciously create crises and conflict around us to keep ourselves reactively engaged. If we cannot frequently and actively evaluate our motivations, we will accumulate a number of negative and antagonistic results: We may sabotage our success in areas that are important to us; we may alienate loved ones; we may become depressed or physically ill. All because we

resist tuning in to what we value most – what is meant to keep us focused and inspired in the current moment.

So that is our choice: to remain diligent, conscious and self-aware about our motivational landscape, or to default to unconscious impulses or automatic programming. Intrinsically generated and conscious, or extrinsically reactive and unconscious. As we differentiate between these extremes, we must ask ourselves how to best cultivate motivational awareness. How will we discern what our interior world looks like from moment to moment? How can we actively navigate it to find the motivations we require? How can we shift out of habitual reactions to more conscious modes of being? The next section begins to answer these questions. For a start, let's take a look at the first two elements of the Integral Lifework motivational diagram and see what can be uncovered.

### *Primary Drives & Fulfillment Impulses*



To begin, it is helpful to distinguish motivations from primary drives. A primary drive is a fundamental imperative that nearly everyone shares, facilitating survival of the species. A motivation results from a series of complex events and interactions (note that the “Motivations” element is pretty far along in the diagram), but ultimately serves one or more of these primary drives. It’s like having different approaches to achieve the same outcome, and as we have already seen, each approach will be uniquely suited to each situation, and each person has a unique way of creating and expressing their own approach. But let’s dig into this a little. First, here are the four basic survival drives as they are defined in Integral Lifework:

- To Exist
- To Experience
- To Adapt
- To Affect

These fundamental drives govern everything we do and relate to every aspect of our existence. The focus of each drive – the processing space within which it operates – shifts constantly, but the drive is ever-present. For example, in one moment I am concerned only with myself in the now: how I exist in this instant; how I experience this instant; how I adapt to this experience; and how I have an effect on my own experience. In the next moment I am concerned with someone or something else, perhaps in a more expanded time-space: how some event in history is perpetuated in memory (*existence*); how others may share my *experience* of joy; how my elderly neighbors will *adapt* to the impending road construction in our neighborhood; how a child will *affect* the life of their canine companion. The concept of widening circles of interaction will also become important in understanding our own evolution of being. But regardless of where we are along the arc of an ever-expanding self-concept, we cannot escape our primary drives.

We do, however, have a great deal of choice in how those drives are satisfied. Layered on top of primary drives are sixteen different fulfillment impulses. These fulfillment impulses contribute to how our motivations are defined and reinforced, and are instrumental in corralling all our efforts to serve primary drives. They also help us understand what constitutes full-spectrum nourishment, because every type of nourishment ultimately satisfies one or more fulfillment impulse. So primary drives generate fulfillment impulses, which in turn lead to motivations that are satisfied by essential nourishment. Simple, right? It will become clearer in a moment, but here is why this process of motivation-synthesis is relevant: once we understand how motivations are formed and how they contributed to our day-to-day well-being, we can begin to consciously shape that process. And once we shape that process, we can resist the pitfalls of externalized or habit-based motivation. We can then be set free from attachment to past patterns of survival and reliance on external structures to nurture ourselves. We can live fully in this moment for a clear and empowering purpose we choose in accordance with the values we consciously cherish. And we can offer true love a prominent role in this process. In other words, we can ultimately become more effective in fulfilling both our primary drives and our guiding intentionality. In Integral Lifework, this is what it means to thrive.

Okay, so let's take a look at the diverse menu of "fulfillment impulses" available to us. In the following chart, each impulse is defined by its most common expression in our volition and behavior (active expression), and by the emotional responses we frequently associate with it (felt sense).

<b>FULFILLMENT IMPULSE</b>	<b>ACTIVE EXPRESSION</b>	<b>FELT SENSE</b>
<b>Discovery</b>	Observe/Explore/Expand/Experiment	Sense of adventure, risk, opportunity
<b>Understanding</b>	Contextualize/Evaluate/Identify/Interpret	Sense of purpose, meaning, context, structure
<b>Effectiveness</b>	Impact/Shape/Actuate/Realize	Sense of activity, success, achievement, accomplishment
<b>Perpetuation</b>	Stabilize/Maintain/Secure/Contain	Sense of safety, family, security, "home"
<b>Reproduction</b>	Sexualize/Gratify/Stimulate/Attract	Sense of attraction, arousal, satisfaction, release, pleasure
<b>Maturation</b>	Nurture/Support/Grow/Thrive	Sense of caring, supporting, growing, maturing
<b>Fulfillment</b>	Complete/Transform/Transcend/Become	Sense of wonder, awe, fulfillment, transcendence, self-transformation
<b>Sustenance</b>	Taste/Consume/Quench/Savor	Sense of fullness, enjoyment, contentment, satiation
<b>Avoidance</b>	Escape/Evade/Deny/Reject	Sense of fearfulness, self-protectiveness, wariness, stubbornness
<b>Union</b>	Accept/Embrace/Incorporate/Combine	Sense of "being," union, interdependence, continuity
<b>Autonomy</b>	Differentiate/Individuate/Rebel/Isolate	Sense of distinct self, uniqueness, freedom, personal potential
<b>Belonging</b>	Cooperate/Conform/Commit/Submit	Sense of belonging, trust, community, acceptance
<b>Affirmation</b>	Appreciate/Enjoy/Celebrate/Create	Sense of "I am," play, gratitude, aesthetics, inspiration
<b>Mastery</b>	Empower/Compete/Dominate/Destroy	Sense of strength, power, control, skill, competence
<b>Imagination</b>	Hypothesize/Consider/Extrapolate/Project	Sense of limitlessness, possibility, inventiveness, "aha"
<b>Exchange</b>	Communicate/Engage/Share/Interact	Sense of connection, intimacy, sharing, expression

**Journal Exercise: What Fulfills You?** Using the *active expression* and *felt sense* columns in the chart as a guide, take a moment to reflect on the fulfillment impulses that infuse your daily life. What impulses do you think energize many of your actions and reactions from moment to moment? Which ones seldom seem to prompt you at all? Why do think either pattern exists in your life? Are there events in your past that have influenced which impulses you've relied up on over time? Can you see how these impulses have either the potential to support primary drives and skillful love-consciousness, or to disrupt them in some way?

### *Functional Intelligence*

In the context of Integral Lifework, *functional intelligence* represents our effectiveness in perceiving, developing and operationalizing personal values. This demands a high level of self-awareness, and answers to some detailed questions. For example, are we aware of our operative values hierarchy, especially in contrast to an idealized one? Do the outcomes of our efforts actually align with our values? Do we routinely and accurately

predict those outcomes? Over time, have we been able to improve our skillfulness in actualizing our primary values? Do we recognize when we stray from a desired course? Over time, have we been able to integrate new, idealized values with our more intuitive and reflexive values? In this way, does our values hierarchy reflect an ongoing maturation process? In the most concrete and measurable terms, what is the relationship between our internal values, what we think, how we feel, and what we do? By answering these questions and elevating our attention to these patterns, we begin to outline the many facets of functional intelligence.

Central to our understanding of functional intelligence is the role of *intuitive values*; that is, values that we are already operationalizing whether we are conscious of them or not. As one obvious example, many of the values expressed in Integral Lifework theory have become part of how I navigate functional intelligence in my own life. In one sense, it is impossible to separate most definitions of intelligence from our values system because all such definitions operate within specific values structures. In our definition of functional intelligence, we are simply recognizing that intuitive values are nearly always the mechanism of prioritization for our actions, thoughts, attitudes and intentions. And, to reiterate, these values are not conscious ideals, carefully structured beliefs, or socially imposed mores. Ideals, beliefs and mores may help shape or influence intuitive values over time, but, in what once again is a mainly pragmatic concern, intuitive values are what actually govern our priorities in-the-moment, in what are most often unconscious or reflexive ways.

Recalling the *fundamental drives* and *fulfillment impulses* mentioned in the previous section, if these are operating in every person to varying degrees, then one way to define self-nourishment is the satisfaction of these drives and impulses via every internal and external relationship of our existence. What our intuitive valuations may really represent, then, is the way in which each fundamental drive and fulfillment impulse manifests in all of these relationships. In relationships between ourselves and other people, between our conceptions and our perceptions, between our invented divisions of self (heart and mind, mind and body, etc.), between ourselves and any system in which we operate...and between our contribution to those systems and everything else with which those systems interact. I would propose that our values system – as defined by the qualities of *clarity*, *emphasis*, *hierarchy* and *consistency* across all of our intuitive values – is therefore an expression of which drives and impulses most observably influence on all of these relationships.

- **Clarity.** Our values are most clear when they regularly express and reinforce themselves, and when we can then observe and interpret that expression. Introspection can aid us in discerning what our values may be, but the most effective means of understanding what we value – and the actual hierarchy of those values – is to simply pay attention to our behavior over time and correlate that with values structures. Thus, although intuitive values operate mainly in

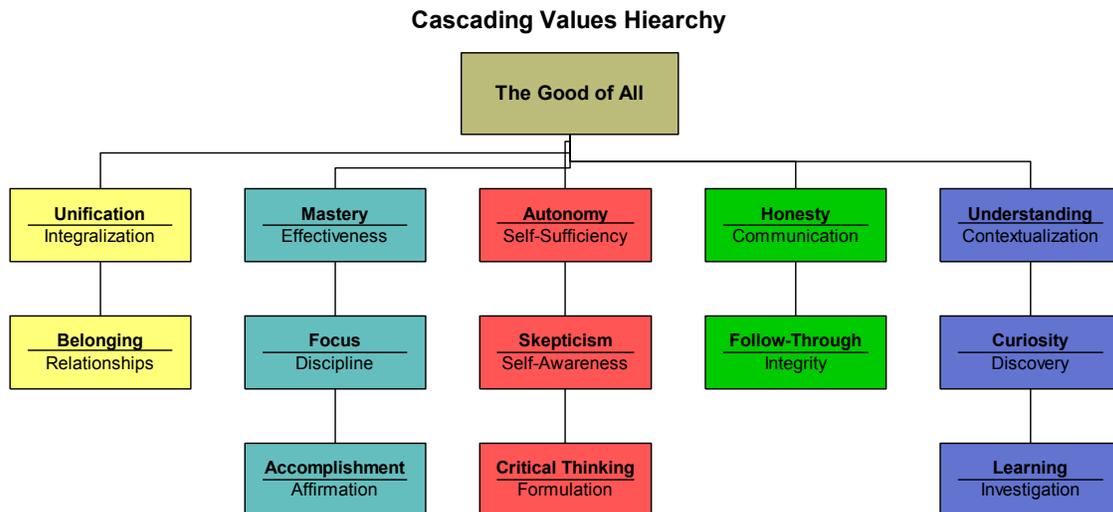
unconscious ways, we can become more conscious of them through observation and introspection...and this creates clarity.

- **Emphasis.** What is most important to me? What has the most emphasis and influence in my life? Is it the emotional quality of my relationships with other people? My level of power of influence in a group? How quickly or ingeniously I can solve complex problems? The safety and happiness of my family? The amount of money I have in the bank? The perceptions of my peers about what I think or how I act? The size of my vocabulary? My sexual gratification? How creatively I can cook a meal? In other words, what consistently ranks highest in priority, as evidenced by my thoughts and behaviors?
- **Hierarchy.** What is the cascading, hierarchal structure of my values? Are their overarching values (meta-values) that influence that prioritization and organization? Are there values that are primary and intrinsic to how I view reality, which then inspire other, more instrumental values? For example, if I have a primary value of protecting my family, I might have a secondary, instrumental value of building strong fences, or installing high-end security systems. Then again, my primary values might be a pride in building things, or learning about electronics, which then subordinate the protection of my family to an instrumental value (that is, the secondary, family-protection value facilitates my primary, building-things and learning-electronics values). All of these, in turn, may be guided by the meta-value that any value that preserves the life, thriving and reproduction within my local gene pool should be prioritized as primary.
- **Consistency.** This relates to how I contextualize my values. Do my values somehow contradict and compete with each other, or do they consistently align with each other? Are they internally consistent? Also, are my values and their hierarchy consistent from one moment to the next, or do they change when I am with different people or in different environments? How steadfast and resolute am I in demonstrating the same hierarchy in diverse situations? Do I demonstrate one set of values at work, and another at home? One set with my close friends, and another with strangers? One set with men, and another with women? How does this impact the alignment of my values with my meta-values? Is there potential for cognitive dissonance or self-defeating patterns, or is there overall integrity?

So values originate from every dimension of self, and attempt to fulfill every dimension of nourishment. What differentiates the intuitive values stream from the functional intelligence stream is that intuitive values are mainly embedded knowledge – innate, conditioned or fully integrated conclusions about what we perceive, learn and experience – whereas functional intelligence involves the active, self-aware arm of our

cognitive processing. Intuitive values are the passive lens through which we automatically assess and navigate each moment, and functional intelligence is our demonstrated capacity to operationalize those values, and adjust those operations according to perceptions and feedback. Certainly all values seem to change as a result of our experiences and reactions, but the change occurs at such a fundamental level that we are seldom aware of it. What I will suggest here is that these intuitive values interact with pragmatic, functional intelligence on many levels – each interaction shaping and maintaining every other – and that we can and should become more conscious of these interactions. But functional intelligence and intuitive values are really inseparable – they are two sides of the same coin, and cannot exist independently of one other.

To conclude, the following is a targeted example of values operationalization, and how functional intelligence can be applied in the real world. It begins with a clarified values hierarchy, and then uses that hierarchy to inform a community decision-making process.



**Operationalization & Assessment**

A friend asked me if I needed some help leading a community discussion about how to oversee business expansion in our neighborhood. I thanked her but said no, I would like to lead the discussion myself, and that I would appreciate any resources she could provide. So she sent me some information on how to seed a group with ideas and build consensus before the meeting occurred, so that it would appear as if consensus was happening organically, when really it was a result of prior persuasion. But, after meditating on the subject and discussing it with some trusted friends, I decided not to take this approach. Instead, I researched some more until I found material on facilitating group discussions that encouraged brainstorming among different perspectives, then provided ways of "bubbling up" those different ideas into shared primary objectives. I then led the discussion using these tools, and was able to cultivate consensus in the group regarding the question at hand. As a result, the community was able to consolidate behind a specific list of standards that businesses would be required to adopt when setting up shop in our neighborhood. It would be several years until we were able to assess whether the standards would have the desired results, but in the interim the community felt empowered to engage in the governance process, and optimistic about their prospective impact. What was clear for now was that I did seem to operationalize my own values hierarchy in this process.

*Motivating Change: From Downward Spiral to Upward Spiral*

How can we discover motivations that help us migrate away from unhealthy habits into healthy ones? And how can we sustain a healthy and self-supportive motivation over time? These are central questions in transformative practice and deserve careful reflection and exploration. Why? Because there two of the most powerful forces within us are working at odds: a desire to grow and thrive that actively seeks change (corresponding mainly to the *experience* and *adapt* primary drives), and a desire for safety and stability that is ambivalent about or resistant to change (corresponding mainly to the *exist* and *affect* primary drives). If either of these forces ever dominated us completely, our quality of life would quickly degrade. For we can neither remain in stasis, nor constantly cast aside established patterns in favor of new ones. One condition would lead to stagnation and depletion, and the other to chaos and overstimulation; once again, we must find the middle ground, the *optimal range of effective effort*. The following chart provides some insight into which “optimal range” could most benefit us in a given situation, or with respect to a specific extrinsic or intrinsic motivation, with the underlying assumption that cultivating love-consciousness is a worthwhile and rewarding endeavor.

<b>Foundational Factors for Effective Love-Consciousness</b>			
<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Values Alignment</b>	Inauthentic – either unaware of an apparent disconnect between one’s values and beliefs and one’s thoughts and actions, or a lack of commitment to aligning them (laziness)	Authentic – tolerance of paradox and ambiguity with relaxed acceptance, while committed to aligning thoughts and actions with values and beliefs as closely as possible	Exaggerated – excessive effort to rationalize thoughts and actions that contradict values and beliefs (i.e. cognitive dissonance)
<b>Integrity</b>	Inability to harmonize intentions, thoughts, words and deeds and/or high tolerance of failure, with little interest in or commitment to self-betterment	Thoughtful harmonization of intentions, thoughts, words and deeds with low tolerance of failure and realistic commitment to self-betterment (example: what I intend I think about, talk about and do).	Obsessive effort to harmonize intentions, thoughts, words and deeds at any cost, with extreme intolerance for failure and unrealistic ideal of integrity

<b>Morality</b>	Amoral – rejecting moral framework for intentions and actions and/or a disregard for the same	Moral – conscious effort to evolve moral standards of intention and action within a framework constantly reassessed according to its effectiveness (i.e. outcomes reflecting values)	Legalistic – rigid adherence to moral code without evaluating outcomes and efficacy of our approach
<b>Fulfillment Orientation</b>	Protective – unable or unwilling to engage in nourishing exchanges with others in one or more areas, forcefully rejecting any perceived dependence	Self-reliant – fully individuated from family of origin, peers, tribe and society and able to support and maintain own well-being through comfortably interdependent, mutual exchanges	Dependent– a strong identification with and reliance on environment, parents, peers tribe or society for all nourishment and sense of well-being (i.e. lack of individuation)
<b>Identity</b>	Unformed or insecure identity – unable to maintain clear and solid sense of self around other strong influences	Interdependent and inclusive - strong sense of self, expanding to include wider arenas of affection, spiritual unfolding, growth and interdependent connection	Over-identification with self-limiting descriptors – i.e. tribe, survival personas, ego, etc.
<b>Spiritual Grounding</b>	Disconnected from spiritual experience, with little or no access to spiritual realm and own spiritual essence (often with an overemphasis on material experience)	Open and persistent connection with the spiritual realm (ground of being, essence, Divine, etc.) with an unrestrained expression of spiritual essence and nature, balanced with material existence	So immersed in spiritual experience that effective interface with material plane is disrupted or disabled
<b>Arenas of Affection</b>	Affection response has not fully developed or is not active in several arenas – not even towards self	Balanced effort to expand love-consciousness into as many arenas as possible, while still sustaining affection and compassion for self	Overextension or fixation of affection in one or more arenas to the depletion of all others and especially self
<b>Strengthening Factors for Effective Love-Consciousness</b>			
<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Self-Concept</b>	Low self-worth and lack of belief in own skillfulness or abilities	Healthy, balanced sense of self-efficacy and self-worth, both as a general self-concept and with respect to each dimension of nourishment	Exaggerated self-confidence and self-worth, and exaggerated belief in own skillfulness or abilities
<b>Self-Awareness</b>	Unskilled, unaware or in denial about one or more aspects of self, which debilitates overall effectiveness	Realistic and regular self-awareness about strengths and limitations, patterns of thought and behavior, identity, values, beliefs, etc. that facilitates increased effectiveness	Absorbed in or obsessed with self-awareness to the exclusion of all other input, resulting in decreased effectiveness

<b>Intentionality</b>	Reactive or unformed – absence of clear intentions or love-consciousness	Golden intention – clear and ever evolving love-consciousness directed toward the good of All, inclusive of self	Fixation on self and ego satisfaction – substitution of ego gratification for love
<b>Mental Clarity</b>	Suppressed – casual thoughts and creative thought process are routinely disregarded, denied or judgmentally devalued	Neutral awareness – casual thoughts and imagination process are allowed to flow freely without immediate valuation or need for action	Obsessive – thoughts or imagination process dominate all other functions, requiring immediate attention and/or action
<b>Nourishment Discipline</b>	Self-Depleting – inability to consistently self-nourish in one or more dimensions	Balanced – able to consistently self-nourish with a diligent but relaxed effort to progress from baseline disciplines to transformative disciplines	Overindulgent – obsessive or excessive effort to self-nourish, often resulting in addictive substitutions
<b>Mindful Openness</b>	Passive & closed – evaluation of meaning or importance of all information through externally defined criteria and inflexible belief system, with less willingness to suspend a sense of certainty	Active & open – evaluation of meaning or importance of new information through flexible and ongoing reevaluation of beliefs and assumptions, with a relaxed willingness to suspend a sense of certainty	Overactive & uncritical – excessive emphasis and dependence on the invented significance of all new information with an inability to critically evaluate
<b>Discernment</b>	Unconscious navigation of each situation based on arbitrary emphasis on either external input streams (such as advice, observed behaviors, mass media, etc.) or impulsive emotional reasoning	Consciously balanced, vigilant but relaxed assessment of input streams from all sources – internal and external, experiential and intuitive, rational and emotional, spiritual promptings and empirical observations	Fixation on one form of hyper-vigilant navigation, such as strong emotions, synchronistic events, black-and-white reasoning, or an overly stringent system of ethics

**Common Barriers to Effective Love-Consciousness**

<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Relationship Style</b>	Disengaged – either as indulgent pattern or neglectful/absent pattern (also can be defined as “other-depleting”)	Interdependent - authoritative and egalitarian with distinct sense of “self” and “other,” but with a fundamental acceptance of mutual, intrinsic sovereignty and value	Excessive engagement or enmeshment - overexertion of control, an authoritarian style, or overly attached (loss of self) resulting in “one-up” or “one-down” dynamics
<b>Attachment Style</b>	Destructively detached –sacrifice and denial to extreme deprivation, depletion and harm (to self and/or other) without a sense of interdependence	Compassionately detached – effortless letting go without a sense of sacrifice or denial that naturally leads to deeper connection and nourishment with a strong sense of interdependence	Compulsively attached – inability to let go to the point of dependence, over reliance and addiction, rejecting interdependence and freedom to self-nourish

<b>Permeability (sensitivity &amp; openness)</b>	Impermeable, unaware, numb, unaffected by events within and without; callous and insensitive; thick-skinned to the point of either obtuseness or disinterest	Aware and able to accommodate inward and outward flows of emotional, intellectual, physical and spiritual energy without disruption or stress, as well as consciously filter or boundarize those flows when required	Excessively permeable - unable to manage adversity, stress and upheaval; less able to filter the flows of energy from any source or maintain healthy boundaries
<b>Processing Flexibility</b>	Inflexible and stuck – unable to move from once processing space to another	Flexible and fluid – able to move confidently and consciously between different processing spaces with ease	Sporadic – flitting from one processing space to the next without control or conscious awareness
<b>Barrier Management, Monitoring &amp; Resolution</b>	Unaware – unable to recognize own barriers to well-being or repeating patterns of failure and a tendency to deny that barriers exist	Acknowledgement & compensation – able to recognize, monitor, manage and in some cases resolve own barriers to well-being without substituting for or flooding any one dimension	Overcompensation – able to recognize barriers, but a tendency to either compulsively substitute unhealthy behaviors for an impeded dimension of nourishment, or to reactively diminish the importance of that dimension
<b>Disposition of Will</b>	Annihilation – repression of own sovereignty and choice, expressed as a reactive, submissive or paralyzed disposition and passive inactivity	Willingness – neutrality of will preceding all thought and action while maintaining confidence in own sovereignty and freedom of choice	Willfulness – forceful imposition of will that disrupts sovereignty and choice, often manifesting as obsessive or controlling behaviors
<b>Grief Resolution</b>	Arrested - unaware or in denial about loss and resulting grief and pain	Acknowledgement and acceptance of loss and able to allow grieving process to take its course without suppressing or overemphasizing its importance	Fixated on loss and emotional pain to the point where these are perpetuated and amplified

## 9. Moral Development & Widening Arenas of Action & Intention

As we strengthen each dimension of self through Integral Lifework, we can feel safe, confident and grounded enough to be vulnerable and intimate with others within that dimension. And as we moderate our barriers across all dimensions, we can confidently express our authentic being from moment to moment in more of our relationships and interactions. This, in turn, amplifies all of the energies in play. At some point we will integrate progressive nourishment in enough of our dimensions ignite entirely new modes of perception-cognition, and new ways of being. As a result, often without realizing it, we progress from a narrowly confined identity to an ever more expansive and inclusive identity. This may happen in fits and starts, with both soaring skillfulness and grim defeats, but eventually it results in identity and moral valuation evolutions outlined in the chart below. First we will catch glimpses of each new stratum as we mature, sometimes resisting our progression, and again sometimes leaping forward or slipping backward. But somehow we keep growing until we can comfortably inhabit each new stratum in a stable and reliable way, supporting it with multidimensional nourishment. It is important to acknowledge that this maturation process is not all-inclusive, inevitable or irreversible – healing, growth and transformation occur at different rates in our different dimensions and processing spaces. But ultimately, if we can continue to relinquish our previous conceptions of self, our insights and execution will become more skillfully compassionate.

How does this broadening sense of self impact arenas of affection and action? Paralleling these transformations of identity are the ever-expanding realms of manifestation in which we consciously focus our efforts. The flow of compassion we initiate in ourselves for ourselves never ceases or fragments, but our perception of that self – the felt sense of our boundaries of being – enlarges to include more and more interdependent phenomena. As we become more than our ego, we love more than our ego. And since love-consciousness is both prerequisite and companion to this evolution, love-consciousness grows continually in harmony and resonance with All that Is (according to our current understanding of what that means) until there is nothing left to encompass. In peak moments of fluid and effortless being, we become everything, love becomes everything, and everything becomes love. Consequently, more and more of our actions and intentions will operate within the broader and more inclusive arenas of our maturing identity, until what was previously understood as a summit is now appreciated as a helpful resting place.

The chart below describes the relationship between our “Self-Identification” and our “Strata of Moral Valuation” in this regard, with the lowest proposed levels of development at the bottom of the chart, and the highest proposed levels at the top of the chart. An explicit outcome and critical aim of Integral Lifework is to stimulate and support this moral maturation process.

<b>Self-Identification</b>	<b>Strata of Moral Valuation</b>
<p style="text-align: center;"><b>Unitive Infinite</b></p> <p>Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications</p>	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one’s ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all -so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree -but nevertheless carefully balanced -flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>
<p style="text-align: center;"><b>Formless Infinite</b></p> <p>Self Equates Non-Being, Non-Identification, “No Self”</p>	<p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>
<p style="text-align: center;"><b>Shared Spirit</b></p> <p>Identification With All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates “the good of All” (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion -a felt sense as well. Identification</p>

	<p>with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>
<p style="text-align: center;"><b>All-Being</b></p> <p>Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>
<p style="text-align: center;"><b>Earth Life</b></p> <p>Identification with Every Living System on Earth – All Its Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;"><b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>
<p style="text-align: center;"><b>Human Society</b></p> <p>Identification with All People Everywhere</p>	<p style="text-align: center;"><b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>
<p style="text-align: center;"><b>Affinitive Community</b></p> <p>Identification with All People Who Share the Same Values or Experience</p>	<p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades</p>

	<p>away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>
<p style="text-align: center;"><b>Beneficial Community</b></p> <p style="text-align: center;">Identification with All People Who Benefit Each Other in Some Way</p>	<p style="text-align: center;"><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; nonconformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>
<p style="text-align: center;"><b>Committed Greater Self</b></p> <p style="text-align: center;">Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;"><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p style="text-align: center;"><b>Tentative Greater Self</b></p> <p style="text-align: center;">Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;"><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>

<p align="center"><b>Secure Tribal Position</b></p> <p align="center">Identification with “My People”</p>	<p align="center"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with and subjugation of -other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>
<p align="center"><b>Insecure Tribal Position</b></p> <p align="center">Identification with “The People I Want to be My People”</p>	<p align="center"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is “right” or “wrong” is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small -a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>
<p align="center"><b>Ego Identity</b></p> <p align="center">Identification with Ego</p>	<p align="center"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>
<p align="center"><b>Formative Identity</b></p> <p align="center">Developing Ego and Ego-Identity</p>	<p align="center"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>
<p align="center"><b>Unformed Identity</b></p>	<p align="center"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>

## 10. Integral Lifework in the Public Arena: Advocating for a Level 7 Political Economy

First some guiding principles and assumptions about how the most healing and constructive solutions to the ills of state capitalism – including the corrosion of democracy by cronyism and clientism – could be created in an advanced political economy. These are derived from a long tradition of prosocial moral and political philosophies, the importance of empathy and skillful compassion in all social relations, and the proposed impact of moral advancement on attitudes about property ownership, natural ecosystems, systems of production, styles of governance, and types of democratic participation. Essentially, they reflect a values hierarchy predicated on an *agape* that recognizes the inherent, equal worth of every individual, and the consequent freedoms, protections and access to opportunity that must be afforded every human being in an advanced political economy. They are summarized as follows:

- A philosophy of government that more fluidly and directly expresses democratic will, and does so equally, inclusive of all ideological orientations and special interests, without disproportionate influence through concentrations of material wealth or social capital.
- An economic system that inherently enables the most equitable, egalitarian distribution of opportunity, material wealth and social capital, and provides a level playing field for all potential and existing producers of goods and services. This system sustains itself in a stable, high quality steady state - or more probably in predictable cycles of ebb and flow that are dynamic but not extreme - rather than relying on constant growth.
- An education system that supports all other systems with a diversely informed populace trained in compassion, critical thought, alternative viewpoints and broad-spectrum dialogue; that is, a populace whose literacy, expertise, proficiency and interests can help manage economies and governments at all levels from a more advanced moral orientation.
- A mediasphere that offers a neutral space for the emergence of divergent perspectives, while at the same time providing both democratically controlled feedback mechanisms for accuracy and fairness, and unlimited access to independent evaluative data on all sources of information.
- An industrial production system that not only strives toward an equitable distribution of profits and decision-making within each organization, but also incorporates social, political and ecological externalities into its strategic and tactical metrics and decisions, for the greatest benefit to all (in harmony with the precautionary principle). For example, factors like biological diversity,

environmental sustainability, community empowerment, democratic feedback mechanisms, cultural diversity, and the health and well-being of workers and consumers would all be taken into account.

- An energy production system that relies on highly distributed, scalable, renewable resources whose capacities in a steady-state or cyclical non-growth economy inherently exceed demand as both conservation and efficiencies increase over time.
- A monetary system that does not, by its very nature, create inflationary pressures, perpetual debt-slavery, or concentration of wealth in private banks, but instead encourages investment opportunities for all, while remaining under public, democratic control.
- In all of these contexts, initial policies and rigorous metrics would strive to maintain a continuous Pareto efficiency, as framed by the intention that public goods eventually overtake most arenas of private profit.

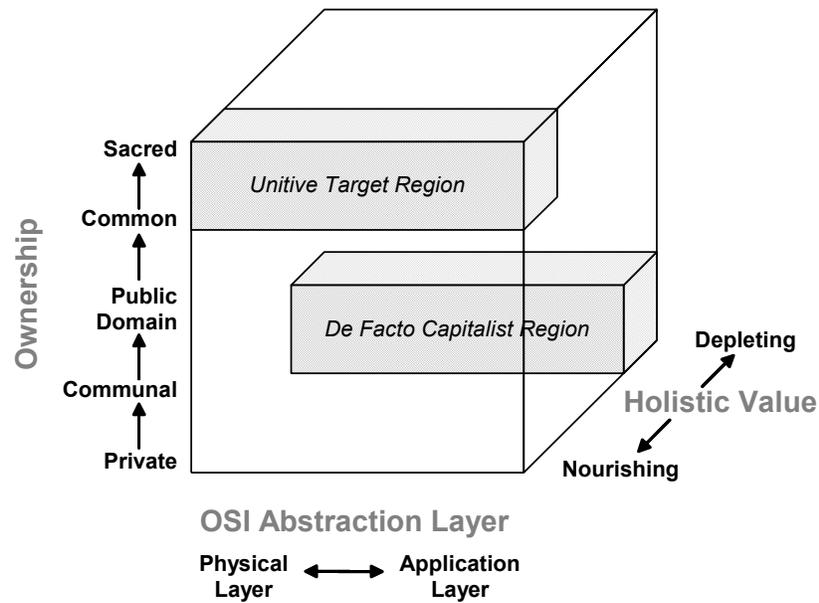
Where these guiding principles lead us should have, by design, tremendous variability and flexibility in implementation, but they can nevertheless provide us with a few instrumental assumptions regarding our roadmap's milestones:

- The first stage of transition demands a carefully balanced, mixed economy that retains necessary centralized standards, systems and supportive structures, but shifts the implementation and management of those standards, systems and structures away from centralized administration and toward highly distributed self-governance. Thus, although the most complex building blocks of this political economy are still organized and integrated on a large scale, they would be tactically managed on a smaller, distributed scale. For example, centralized infrastructure and essential services (i.e. the most foundational and universal processes, production, services and institutions of the new political economy) would provide a "Universal Social Backbone," which in turn supports a host of spontaneous, decentralized, rhizomatic and community-centric elements that thrive under distributed management.
- Exchange values would be calculated on a proposed "holistic value," which includes multiple dimensions of import, many of which are now often considered mainly in the abstract – or as bothersome externalities. Holistic value is an attempt at a more comprehensive valuation, and so includes a host of metrics including, but not limited to, perceived and intersubjective use value, effective nourishment value, and potential "perverse utility" – that is, a negative value based on possibilities of abuse or harm. The ongoing impact of goods and

services on environmental, individual and social thriving would be measured in as many dimensions as possible, then fluidly and transparently promoted to the electorate, so that exchange values can be revised to enable the greatest good for the greatest number. In this way, informed direct democracy would override the artificially engineered tensions of demand and supply.

- While property of all kinds would increasingly fall under a “res communes” property designation, other designations (public domain, private, communal, etc.) would still exist on a scale commensurate to the workers, stakeholders and beneficiaries involved. In other words, we would create a kind of transitional, hybrid form of property ownership, where everyone who has a stake in the use, profits, privileges, impacts or benefits of any property – whether that property is a natural resource or the result of service and production activities – would have a say in how that property was used and managed, and how its benefits are distributed. Again this means that residents, consumers, workers and government officials are all part of the mix; what is held in common for the benefit of all is administered (again at a community level, if possible) for the benefit of all by those whom it benefits – with a clear appreciation of externalities and holistic value as part of this mix. While this hybrid ownership schema initially might favor those who appear to have a greater stake in certain property, its eventual aim would be to shift into purely “common” ownership where such emphasis would no longer have priority.
- Along the lines of the hybrid property ownership feature, but also to address the rule of law and other essential civic institutions, direct democracy and direct civic involvement at the national, regional and community levels would at first augment, then increasingly replace the current representative abstractions of governance, banking, commerce and institutional accountability on every scale – from the local level to the global.

## Progressive Property Position



As we then refine planning, increasing granularity from the thirty-thousand-foot level to concrete action items, we need to propose specific solutions that are tailored to each unique cultural, demographic and economic environment around the globe. Thus the interdependent design of a post-capitalist system will be complex and multifaceted, but below are a few of the more generic considerations for just one such implementation, in this case the U.S.A. These proposals have also been borrowed from *Political Economy and the Unitive Principle*, and although the concepts and language are more thoroughly defined in that book, I have rephrased things here to provide insight into how each of these proposed components are formulated.

1. To whatever degree possible, quid pro quo political connections between industry, finance, a more direct democratic implementation of government, the mediasphere, the education system, and the health-and-welfare system must be severed, then insulated from each other as rigorously as possible. These are of course interdependent structures, but separation could be maintained through independent funding, governance processes and decision-making cycles, with differing degrees of direct democratic involvement – or insertion of the democratic process at different junctures in the governance process, so as to counterbalance short-lived collective impulses. What we are aiming for here is a pragmatic, clearly boundarized functional and political separation. The final purveyor of this separation is of course the general populace, but that democratic will would be concentrated and normalized through different formulas and

durations of leadership - as well as staggered referendum cycles and legal restrictions on revolving door leadership deployments across these divisions.

2. Although all government would still consist of executive, legislative and judicial branches, the two-party system would of necessity be abolished. Instead, the legislative branch would be restructured to reflect either a parliamentary system, or some other effective means of non-polarizing proportional representation. In addition, more frequent direct national referendums would guide public policy at the national level, so that procedural sabotage of democracy (such as the current "majority of the majority" rule in the House of Representatives) could be overridden. Likewise, direct votes at each level of government, all the way down to local, would inform policy and practice at those levels. A certain percentage of government representatives could also be chosen at each level of government through a service lottery, much as jury duty selections occur today, to serve for a limited time as part of decision making bodies (citizen commissions, city councils, state legislatures, etc.). And a certain percentage of representatives would be selected through a multi-party election process without primaries, to serve for longer terms than those selected via lottery, but with a limit on the number of terms they could serve. It should be understood and appreciated that highly advanced societies will require highly specialized skill sets for these elected officials, and that many independent schools of technocratic proficiency will inevitably arise to meet this need. The key will be to ensure that all such specialized viewpoints are adequately represented, while concurrently balanced with citizen input and community-based authority.
  
3. Labor would be separated into two distinct categories that are organized and managed in different ways. The first category would be "infrastructure and essential services" (i.e. the Universal Social Backbone). These are the fundamental products, institutions and services necessary for any sort of complex society to function at the most basic levels, and which have already tended to be socialized in most mixed economies. Roads, bridges, water, electricity and communication are the first tier of this category, followed by more abstracted products and services that build on those foundations, but are still perceived as universal expectations by the general public. This second tier is comprised of the systems and institutions that provide the backbone of civil society. For example, public transportation, public healthcare, public education, public safety services, social security, and so on. As expectations differ from one zeitgeist to the next, so would the scope of inclusion in these tiers. I happen to think basic banking and insurance services, basic nutrition, basic housing, mail delivery, fundamental scientific research, worker retraining, employment placement services, and unemployment benefits also fall under "infrastructure and essential services." One common thread of these public domain industries, however, is that they facilitate trade for the second category of labor. This is a

crucial point: without centrally coordinated infrastructure and essential services, there really is no way to enable a reliable (or equitable) exchange economy of any kind.

To whatever degree possible, *all of this should be organized and tactically managed at the community level*, with centralized standardization and support, subject to direct democratic control. Instead of centrally run state institutions or corporations, there would be **networked, non-profit, worker-owned cooperatives** that are centrally regulated and monitored, but administered with a substantial degree of autonomy at the community level. It might also be interesting for different regions to compete with each other for customer satisfaction, and be rewarded in some way for their success. If the service or product being delivered provides the most fundamental level of infrastructure or essential services, there wouldn't be competition for customers between the cooperatives, but the cooperatives would be limited in size (by service area, etc.), and subject to public input and scrutiny to ensure an adequate level of service delivery. If the service or product is not part of infrastructure or essential services, then the non-profit cooperatives could compete with each other for the same customers across different regions. So although there is a strong element of central planning here, the actual control and execution is highly segmented and distributed, both because of the divisions of government already alluded to, and the emphasis on community-level organization.

There should be some mechanism to ensure the Universal Social Backbone doesn't somehow undermine individual contribution to society by inoculating the least morally developed against survival or well-being concerns. That is, there would be some form of citizen reciprocation for this foundation, and consequences for a lack of reciprocation. So, for instance, everyone who receives benefits could participate in these very same programs as unpaid volunteers for short but regular periods of time, with consistent expectations of performance. If someone chooses not to volunteer, or willfully demonstrates exceedingly poor performance, their access to some or all of these services (or perhaps certain qualities of service) could be restricted.

4. The second category of labor is for production of goods and services that add value to society above and beyond essential services. There would be several tiers to this category. At the top would be certain major industries, especially those that a) have essentially become closed to rapid or major innovation, b) are de facto market monopolies, or c) otherwise dictate economies of scale with highly centralized controls. These would become worker-owned cooperatives subject to governmental oversight, with the level of government responsible for oversight always larger than the size and reach of the business itself. These would be much like the first category of labor, but in this case for-profit. There is

no reason why this tier couldn't compete with cooperatives in the first category, wherever that makes sense. Again, the scope of this category will change from one culture to the next, and from one generation to the next.

In the second tier we find medium-to-large businesses, once again worker-owned cooperatives, which would compete with each other for customers. Communities in which either of these two top-tier businesses are located would have the ability to a) reject proposals to start a business in a given location, b) introduce progressive penalties on a misbehaving or undesirable business in their community, or c) rescind a business's privilege to operate in their community altogether for cause. All of this would be accomplished through a direct referendum process, with the intent that all such businesses work closely with the community to address that community's preferences and concerns. The third tier would be sole proprietorships or very small businesses (perhaps five employees or less?), which is the only tier where a business entity could be privately owned and managed, and thereby be insulated from community controls. This three-tier system - or an equivalent approach - is an absolute necessity, in my view, since currently such huge concentrations of wealth and influence in the private sector has demonstrated itself to be the greatest threat to a functional democracy, the most pernicious abuser and exploiter of workers and the environment, and the most disruptive to our collective moral maturation process. In other words, these huge privatized industries are simply too powerful to be permitted to exist outside of the democratic process as they do today.

5. The ratio between the salary of the highest paid individuals in a given field and that of the lowest paid individuals in the same field - as well as what the highest and lowest wages would be, the benefits of seniority, and other aspects of pay structure - could be publicly determined through a direct democratic process by the general populace for all organizations that are not privately owned (i.e. government agencies, non-profits, and for-profit enterprises). The same formula could be applied to the ownership of communal property shares in any enterprise. To avoid rapid salary swings, changes could be incremented over time. In addition, the highest and lowest wages across all of society could also be democratically set to reflect their holistic value as evaluated and agreed upon by the electorate. In both cases, this wage-setting process could be repeated regularly every few years. Using some combination of consistent calculation factors, this would reflect a more equitable distribution of wages within organizations and across whole industries, especially as some positions between those organizations become interchangeable. It also has the potential of eliminating the lopsided educational funding, career flocking, research and development and other investment bias created by excessive wage imbalances. As our culture matures, the objective could be to amplify the social capital of

fields that contribute constructively and holistically to society. To include a competitive variable in this equation, profit-sharing would not be part of these set wages, but in addition to it. However, profit-sharing could also be distributed according to exactly the same wage ratios. There could of course be other profit (or communal property share ownership) distribution mechanisms, but the goal is to curtail the stratospheric concentration of wealth in any individual or group of individuals.

6. As an important holistic value consideration, trades that fall under perverse utility (i.e. have a high probability of abusive, addictive, lethal or socially destructive impact) would be subject to train-test-monitor controls. This is important because these particular trades tend to erode social cohesion and moral evolution. Along the same lines, human interaction with the Earth's ecosystems should be compassionate, sustainable and low-or-no impact. I appreciate the core tenets and twelve design principles of the Permaculture movement, and think they provide an excellent starting point here. Further, the "precautionary principle" would ideally guide all technology development and deployment, harmonizing with slower product development cycles no longer driven by quarterly profit pressures.
7. Energy from renewable resources could be produced locally whenever possible, via community cooperatives, and ideally using business and residential structures as installation platforms, then aggregated and distributed within each geographic region as needed. The absolute end of fossil fuel and other nonrenewable energy production should, I think, be aggressively, rapidly and relentlessly pursued. This is not only for the sake of eliminating carbon emissions, but also because the very nature of concentrated-yield sources like petroleum distorts consumption expectations and reduces costs in the short term, while the long term reality of stable, steady-state energy sourcing dictates entirely different consumption and cost relationships. Local-renewable approaches align with the longer term energy expectations, and mirror the distributed nature of production, labor and political power in this new political economy.
8. Part of a fundamental education should, I would think, be the inclusion of many of the concepts addressed here and in *Political Economy and the Unitive Principle*, with an emphasis on comprehensive training in full-spectrum nourishment, synergistic dialogue, moral creativity and development, and an overview of the strengths and failings of various political economies. And of course students, parents and teachers should all share responsibility for the structure and management of a more participatory educational environment. I also believe exposure to other cultures has extraordinary benefit for the young, and to that end every child should have the opportunity to experience for themselves how

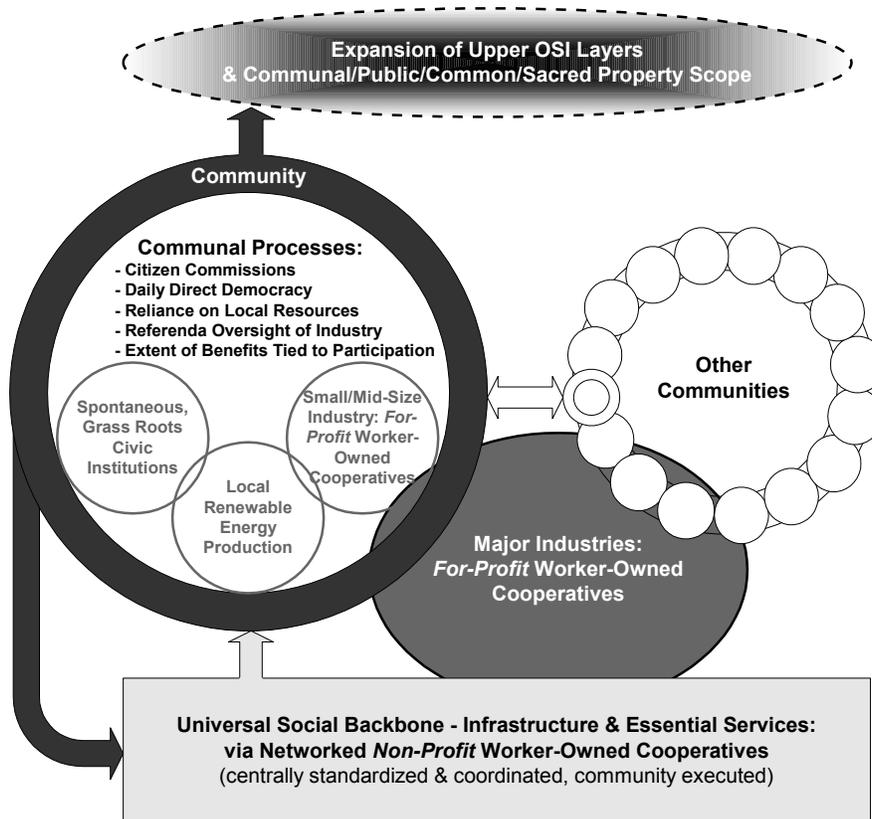
the rest of the world lives, ideally by traveling to and living among other cultures. In fact, this is probably a critical foundation for appreciating diverse viewpoints, navigating social complexities, and learning to think multidimensionally. It seems the broader and deeper the vocabulary of language, ideas and experiences made available to our young people, the more likely they will be able to manage complex responsibilities for the rest of their lives. But the intent behind all of these approaches should be to encourage the advanced moral function necessary to sustain the new political economy being proposed.

9. The importance of civic institutions and social movements that arise spontaneously - often operating independently of both markets and government - should also be recognized and vigorously facilitated. These not only fill gaps in needed services and resources, but may provide unexpected change agency toward a higher moral function in society. In particular, community development corporations (CDCs) and community land trusts (CLTs), when guided by community input and participation, offer a promising mode of communal transformation. At the same time, institutions that become well-established players in civil society should also be subject to direct democratic control – just as government, non-profit and for-profit enterprises would be under this proposal.
10. Clearly some attention must also be given to reforming the tax code. In market-centric economies like the U.S., taxes are often used to incentivize some behaviors while penalizing others. This tool should no longer be needed to the same degree, and the tax code could be substantially simplified as property ownership – and the surplus value of production – advances into more unitive strata – that is, as society evolves to value everything more collectively. As an interim step, a progressively tiered tax rate with very few deductions should work for individuals, along with a similarly tiered tax rate on net income for businesses, based on their size. In conjunction with this, a flat rate "wealth tax" could be implemented across the board to augment and perhaps eventually replace income taxes. As property position shifts, this wealth tax, in turn, could increasingly be calculated on accumulated shares of communal property.
11. The monetary system should be subject to the direct control of the people as a socialized central bank, in conjunction with a national network of non-profit cooperatives and community banking systems. For-profit lending institutions could be entirely eliminated, and fractional reserve banking would, at a minimum, be strictly restrained by a conservative leverage ratio – one that is either set in stone or can only be adjusted to be more conservative, not less. Government institutions would no longer pay interest on any loan, and indeed a set percentage of government loans would be lent interest-free to large scale entrepreneurs, non-profit community organizations, community land trusts and

worker-cooperatives, in order to stimulate innovation, create a level playing field for emerging disciplines and technologies, and instigate a road to self-sufficiency. Special targeting of "outsider" innovation would also be an ideal standard, but realistically this may have to be left to the market side of the mix. There is also opportunity here to institute a gift economy with a certain percentage of government lending as well, and this should increase over time as the moral creativity of society evolves.

12. One of the consequences of financial system reform would be the elimination of the stock market as it exists today. It is difficult to conceive of any sort of stock exchange scenario that can't be exploited, or that doesn't contribute to market instability, as has been evidenced many times over in the U.S., and has only increased with the advent of automated computer trades. That said, there should probably be some opportunity for stock trades to occur, so that outsider innovations and other market advantages can be facilitated in emerging industries. However, the resulting stock exchange system would be of a much smaller scale than its current manifestation, and would be looked upon more as an interesting experiment than a central feature of the economy. There could also be strict restrictions on highly speculative investment instruments, and perhaps a small tax on every trade, to further contain volatility and reduce impact on the rest of the economy.
13. It may also be useful to either institute or promote different kinds of currency that operate mainly within different dimensions of the economy; for example, there could be gift dollars, market exchange dollars, public utility dollars, barter systems, community banking systems, and other currency independent of fiat money. These could still be sanctioned and coordinated through the socialized central bank, or just be encouraged and supported through independent institutions, so that morally advanced experiments can demonstrate proof-of-concept.
14. In order for any of these ideas to retain integrity and resist corruption in a fully functional democracy, the electorate must have access to both raw data and complex analysis tools about virtually every element of society. Whether it be a judge's rulings history, a manufacturer's product safety record, or a politician's legislative patterns, multidimensional data on every individual and institution in public life should be readily available via the web at no cost. In addition, users should be able to specify values criteria that represent their priorities, and dynamically display data according to those personal criteria. A standardized analysis tool could be provided across several competing information sources: nonprofit government-run clearinghouses, community-based information providers, and mass media news outlets.

15. What I describe in *Political Economy and the Unitive Principle* as “an expansion of the upper OSI layers of property” will become increasingly important over time. Initially this refers to what has been traditionally categorized as the creative thinking, cultural riches, intellectual property or academic pursuits in society, and especially that which thrives in the commons of universally shared media, research, innovation and communication. But really this also expands to include what are the most intangible, non-material elements of human endeavors, interaction, consciousness and self-expression, forming an abstracted realm of exchange that will always transcend ridged institutions, mundane commodities, and predictable systems to produce the true wealth of human experience. These spontaneous, organic creations rely upon the “lower OSI layers” in order to thrive (for example, the aforementioned Universal Social Backbone eliminates antagonistic survival preoccupations and, when combined with voluntary reciprocation, reinforces relevant social contracts), and cannot advance without that support.



But how can we transition towards this ideal, and away from our current, highly destructive form of growth-dependent state capitalism and its pernicious undermining of democracy? Here are some possible first steps:

1. Educating people about economics, technology, the functions of government, and what is actually healthy and helpful for individual and collective well-being and happiness, all-the-while exposing the deceptions and misinformation that are mercilessly disseminated in service of profit.
2. Encouraging moral maturity, compassion and empathy through revised interpersonal standards, better awareness of multidimensional nourishment, and inspirational modeling.
3. Holding accountable those government officials, businesspeople, and average citizens who persist in indifference and callousness, and doing this through education about values hierarchies, societal expectations and the rule of law, while also eliminating the social and economic incentives for this behavior.
4. Promoting holistic approaches to well-being that counter addictions, consumerism, self-destructive habits and externalization of personal power.
5. Creating new institutions that “compassionately tribalize” all of these more evolved, sophisticated and morally responsible values, and create a safe place to reinforce and propagate the most proven and constructive means of moving forward.

Anyone who has endeavored to promote these or similar countermeasures to capitalism has invariably faced the entrenched interests of atrophied institutions and the powers-that-be, along with the draconian defense mechanisms of the ruling class. Even so, there have been progress and immensely positive examples of how alternatives to plutocratic state capitalism could evolve. I am reminded of democratic socialism in Europe, the Mondragon experiment, direct democracy in Switzerland, Canadian credit unions, etc.

However, any new, more progressive system will fail unless we accelerate our individual and collective moral evolution to embody a more inclusive, collaborative, equitable and compassionate meta-ethical framework. This is in contrast to our current political economy, which reinforces ethical regression. History demonstrates time and again that civic institutions must operate from principles at the same level moral maturity as the electorate, because whenever they attempt to exceed that level, they ultimately become ineffective, corrupt or collapse entirely. And because state capitalism has endeavored for so long to infantilize consumers into perpetual dependency, selfless and compassionate participation in government and the democratic process has waned proportionately. But we can no longer remain children.

To that end, we return to Integral Lifework as a possible mechanism for evolving civil society. As noted in the previous section on moral development, it is my contention that we cannot mature, in a moral sense, unless we are fully nourishing all dimensions of our being. Such harmonized support is required for more unitive structures – that is, more affectionately compassionate attitudes and habits regarding ourselves and others – to flourish and grow both individually and collectively. This is my hypothesis, grounded in time-honored mystical traditions from around the world and observations from my own work and life. But the proof is in the pudding, as they say: it is only possible to observe the benefits of the practice once we engage it fully. Remaining outside of the practice and speculating about its efficacy isn't a very tenable position; *ab intra* validation always trumps *ab extra* conjecture. So my exhortation would be to invest in Integral Lifework as a means to an end, with the only costs being a little time and effort, a little learning, a little refining of guiding intentions, and a little more flourishing of being.

# Integral Lifework Developmental Correlations

*Moral Function, Political Economy & Self-Identification (November 2014)*

The following chart is a consolidation of developmental themes recurring throughout my writings on Integral Lifework. Some of the definitions and terms have been updated to reflect an evolving understanding and should replace previous iterations. Although important elements of the idea have been identified as part of a progression inherent to mystical gnosis (see [The Vital Mystic](#) and [Essential Mysticism](#)), “Unknowing Emptiness” is formally identified as a strata of moral valuation here for the first time; importantly, in more brief and diluted forms it is also a transitional component between the other strata. Within the chart are terms and concepts that are more thoroughly defined and attributed in the course of the works referenced in each column heading. Some of the principles of development covered in those works include:

- For development to occur, all dimensions of being as they are defined in Integral Lifework (see the [Integral Lifework Nourishment Assessment](#) for a summary, or [True Love, Integral Lifework Theory & Practice](#) for an in-depth description) must be consciously nurtured, harmonized and progressively integrated. This nourishment creates the supportive structures – both individually and collectively – that stimulate and support a moral maturation process.
- It is not possible to fully and consistently operationalize next-level moral valuations without first experiencing the intentions, habits and consequences of previous orientations.
- Development is not uniform, orderly or irreversible. Instead, each dimension of being may advance independently of the others, so that imbalances in nourishment tend to be reflected in lopsided maturation. Consequently, the resulting evolution is more like a dynamic dance than a linear progression.
- Compassionate integration of earlier values orientations does not preclude abandonment of certain elements of those previous orientations; in other words, as moral function evolves, some attitudes and priorities may become vestigial, subordinated or sloughed off entirely. It is important to differentiate this process from repression; instead, this is more of a de-energizing of unskillful or antagonistic concepts, relationships and patterns.
- The maturation of our values system – and inhabiting the moral strata as they are defined here – has consequences for both our [Functional Intelligence](#), our ability to [manage complexity](#), and our capacity for sustaining advanced civic ideologies and systems.

<b>Self-Identification</b> <i>(Memory : Self, 2010)</i>	<b>Strata of Moral Valuation</b> <i>(True Love, Integral Lifework Theory &amp; Practice, 2009)</i>	<b>Level of Political Economy</b> <i>(Political Economy and the Unitive Principle, 2013)</i>
<b>Unitive Infinite</b> Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all - so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree - but nevertheless carefully balanced - flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>	<p style="text-align: center;"><b>Level 10</b></p> <p>In Applied Nonduality, the concept of property and its categorizations, valuations and layers of abstraction evaporates entirely, and regression to into previous modes of exchange and valuation is inconceivable. The unending flow of an actualized, overarching purpose is all that remains here, as guided and energized by an all-inclusive love-consciousness.</p>
<b>Formless Infinite</b> Self Equates Non-Being, Non-Identification, “No Self”	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>	<p style="text-align: center;"><b>Level 9.5</b></p> <p>As it manifests in a political economy, Unknowing Emptiness represents a period of turmoil and self-doubt, and has usually been a necessary component of transition from each Level to the next throughout development. Here, however, the unmaking of previous conceptions and orientations is more complete; a more vigorous annihilation of all that came before and all that as anticipated. Representations and abstractions of property may still be <i>sacred</i> (or valued), but constructs like <i>ownership</i> increasingly become erroneous to the core experience of unitive interdependency, and thus disconnected from exchanges and relations; the footing for values hierarchies evaporates. As may have been the case in previous Levels of political economy, we can experience the momentum of earlier structures, systems, valuations and purpose carrying us forward as operative habits, but we come to recognize that these, too, are nothing more than tenuous, conditional constructs. So this is the moment in the trapeze act when we collectively let go of the rope that has swung us here, without knowing for certain if there is another rope to grab on the other side.</p>

<p><b>Shared Spirit</b> Identification with All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates "the good of All" (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion - a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>	<p style="text-align: center;"><b>Level 9</b></p> <p>Spiritual Universality begins to revise the <i>common</i> property designation still further. The desire to elevate intersubjectivity relaxes until a more unitive perspective permeates all valuations. Now there is a shared intuition that everything that once resided in other <i>ownership</i> categories is actually <i>sacred</i>. In fact, those previous categorizations are mainly perceived as destructive and unhealthy, and so any lingering subordinate relationships with property dissolve. However, because this stratum is so fluid - and because it can still be interrupted by regression - subordinate relationships may appear and disappear as required in continuously revising contexts. Despite these difficult but sometimes necessary hiccups, the primary flow of Level 9 is that the entirety of existence has intrinsic value, and so all human activity must engage that existence with unconditional compassion. There is also a strong intuition of a shared, unifying purpose, and an increasing desire to acquiesce into that purpose. At this stage, <i>holistic value</i> becomes equivalent to the <i>sacred</i>, intrinsic value that is collectively held.</p>
<p><b>All-Being</b> Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>	<p style="text-align: center;"><b>Level 8</b></p> <p>In Transpersonal Holism, the process of commonization is now complete. There may still be pockets within the commonized architecture that hold on to previous property categorizations, but they become exceptions that are functionally and systemically isolated within the accepted status quo. Because of the intersubjective validation promoted in this stratum, systems and institutions are resilient enough to tolerate a broad diversity of moral function while still advancing a higher order moral orientation, thus the tumult we saw in a World-Centric stratum subsides. Through this stabilization, many forms of what in previous strata were considered to be <i>potential</i> property can now effortlessly be designated as <i>sacred</i>, purely to honor and celebrate their intrinsic value. In this level, the concepts of exclusion or exclusivity are so rare that even the designation of <i>personal</i> property becomes unnecessary. Thus even the concept of <i>holistic value</i> itself no longer provides significant differentiation from internalized values hierarchies or collective relationships with property. All the multiplicities of nourishment have now been integrated into a single thought field - an integral noosphere - so that <i>holistic value</i> becomes a collective experience and intuitive understanding that validates itself.</p>

<p><b>Earth Life</b>  Identification with Every Living System on Earth – All Their Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;">↑  <b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>	<p style="text-align: center;"><b>Level 7</b></p> <p>In the World-Centric moral valuation stratum, all previous property categorizations dissolve into a dominant <i>common</i> property paradigm. Because of a now firmly established interdependent systems orientation, any designations of <i>private</i>, <i>potential</i> and <i>communal</i> property become increasingly non-existent. Even <i>public domain</i> property becomes a temporary holding space for transition to <i>common</i> property assignment. We also see an enlarging scope of <i>wild things</i> set aside as perpetually <i>sacred</i>, not as an investment for future utility, but because <i>wild things</i> are esteemed in and of themselves (i.e. have intrinsic value independent of human valuation). Once the commonization of property is pervasive, there is no longer an elite class to disrupt or exclude others from sharing equally in property benefits. And because there is so little <i>private</i> property, a conventional exchange economy no longer exists in the mainstream. However, until commonization is complete, other property categorizations and their resultant economies and classes can persist, creating an organic, hybrid environment that is understandably tumultuous and unstable, but nevertheless reaches onward towards Level 8. At this stage, a subtle, multidimensional and highly sophisticated <i>holistic valuation</i> is replacing <i>exchange value</i> in human relationships with property across all OSI <i>abstraction layers</i>.</p>
<p><b>Human Society</b>  Identification with All People Everywhere</p>	<p style="text-align: center;">↑  <b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>	<p style="text-align: center;"><b>Level 6</b></p> <p>Arriving at the stratum of Principled Rationalism, the property organization of previous Tribal, Individual and Communal moral orientation is more vigorously challenged. <i>Public domain</i> property now becomes the ideal categorization, with <i>private</i> and <i>communal</i> assignments subordinated to that objective. For the first time, setting aside <i>wild things</i> as <i>sacred</i> may be considered, but mainly as an investment for future resource depletion or other <i>public domain</i> need; so, provisionally <i>sacred</i> until a scarcity crisis assigns it to <i>potential</i>. The desire to maintain an egalitarian <i>public domain</i> property categorization can, however, lead to behaviors that echo previous moral orientations; for example, a de facto elitist privatization of property "held in public trust" but controlled mainly by the most influential class, for the benefit of that class. <i>Holistic value</i> calculations now have a much more diverse and inclusive basis, as collective understanding of what constitutes nourishment and the interdependence of all nourishment dimensions becomes more sophisticated. <i>Exchange value</i> is increasingly aligned with this more complex <i>holistic value</i> across most OSI <i>abstraction layers</i>.</p>

<p><b>Affinitive Community</b> Identification with All People Who Share the Same Values or Experience</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>	<p style="text-align: center;"><b>Level 5</b></p> <p>As Individualistic imperatives wane, a more Communal flavor of property assignment takes hold. Initially, there will be a desire to maintain <i>private</i> property for personal gain, but eventually that privatization is understood to be collectively shared by an exclusive group, and collective advantage begins to outweigh personal advantage. Tentative <i>public domain</i> property is still assigned because of its exchange facility within the community and with other communities, but it retains its <i>potential</i> to become <i>communal</i> property, especially if other, highly valued resources become depleted. In these strata anything not perceived as having such <i>potential</i> may be relegated to <i>common</i> or <i>sacred</i> property, once again increasing prestige for the community, but this orientation is eventually held with less exclusivity, and a more generous attitude of access and benefit to other communities. A fuller understanding of interdependent nourishment processes leads to a broader, more inclusive calculation of <i>holistic value</i>. Positive and negative externalities now gain importance in that calculation as well, especially when they impact social capital within and between communities. Thus <i>holistic value</i> begins to influence <i>exchange value</i> to a greater degree.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; non-conformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>	<p style="text-align: center;"><b>Level 4</b></p> <p>In Individualistic moral orientations, <i>communal</i> property becomes increasingly employed for the collective benefit of affinitive or opportunistic associations, and we might even see the first glimpses of <i>public domain</i> allocation beyond the facilitation of secure exchange, if only to be perceived as concerned about the collective good. However, even such <i>public domain</i> assignments will be tentative; in reality everything in the <i>public domain</i> is still <i>potential</i> property, only temporarily or conditionally set aside. So <i>private</i> property still maintains its principal importance in these strata, if sometimes dressed up for the constructive illusion of collective advantage. Assignments of <i>sacred</i> property are also tolerated for the same reason, but <i>wild things</i> are still viewed as <i>common</i> or <i>potential</i> property. <i>Holistic value</i> can now be calculated more flexibly, with a perceived advantage-of-the-moment in mind, along with all previous input streams. Nourishment differentiation is</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	

<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	<p>more defined, but its interdependence is not yet appreciated, and so negative externalities are generally dismissed. Thus <i>holistic valuation</i> still has little correlation with <i>exchange value</i>.</p>
<p><b>Secure Tribal Position</b> Identification with "My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with - and subjugation of - other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>	<p style="text-align: center;"><b>Level 3</b></p> <p>As moral function evolves through Tribal strata, a more <i>communal</i> categorization may take hold for a few shared resources, but the emphasis will still remain on extensive privatization and various hierarchies of <i>private</i> property. Even from a Tribal perspective, "communal" may just represent a form of elitist privatization for the most influential class, and so here, too, anything not yet privatized will be viewed as <i>potential</i> in nature, including <i>wild things</i>. <i>Public domain</i> property is only grudgingly tolerated in order to facilitate and secure an exchange economy for <i>private</i> property. <i>Sacred</i> property may be defined in these strata, but only for the prestige or perceived advantage of the tribe in competition with other tribes. Now externals begin influencing <i>holistic value</i> formation, as the tribe's priorities usurp personal gratification. However, <i>holistic valuation</i> remains fairly abstracted from <i>exchange values</i>.</p>
<p><b>Insecure Tribal Position</b> Identification with "The People I Want to be My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is "right" or "wrong" is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small - a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>	
<p><b>Ego Identity</b> Identification with Ego</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>	<p style="text-align: center;"><b>Level 2</b></p> <p>In the Egoic valuation strata, an I/Me/Mine moral orientation organizes property into the most <i>private</i>, personally consolidated state possible. Anything that hasn't yet been acquired is viewed as <i>potential</i> property, and nothing is <i>sacred</i>. Likewise, <i>holistic value</i> is generated through I/Me/Mine calculations, and there is only a vague sense of nourishment differentiation, usually derived from the current and most compelling appetite.</p>

<p><b>Formative Identity</b> Developing Ego and Ego-Identity</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one’s own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>	
<p><b>Unformed Identity</b></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>	<p style="text-align: center;"><b>Level 1</b></p> <p>In Egoless Raw Need, property <i>ownership</i> categorization hasn't yet occurred. In a strange sense, all property is probably viewed as <i>common</i> and boundryless; it is a limitless resource existing only to service to fundamental appetites and willful imperatives. There is not yet a care for, or conception of, <i>ownership</i> assignment or exclusion. In the same way, <i>holistic value</i> is monodimensional: there is only the primary and singular raw need that subjugates all nourishment differentiation.</p>

Elements of these progressions have been theorized and speculated about by a number of thinkers – Aristotle, Paul of Tarsus, Marcus Aurelius, Plotinus, Thomas Aquinas, Rumi, Hefez, Teresa of Avila, Spinoza, Leibniz, Hume, Rousseau, Smith, Kant, Hegel, Mill, Freud, James, Tielhard de Chardin, Jung, Piaget, Underhill, Aurobindo, Merton, Lewis, Maslow, Krishnamurti, Freire, Gebser, Loevinger, Graves, Murdoch, Fowler, Kohlberg and Wilber...to name just a fraction. And although many of these ideas can be experientially confirmed as legitimate placeholders for an emergent psycho-social-spiritual process, it is extremely difficult to empirically validate them. So for now this is just a theory, and one that relies in equal parts on *gnosis*, felt sense, intellectual intuitions, rational dialectics and creative extrapolations; exclude any of these contributing streams from the field of synthesis and the theory will lose cohesion. I also suspect there are additional gradations to be defined. My hope is that the application of Integral Lifework’s nourishment paradigm in various contexts, and by large groups of people who have committed themselves to the greater good, will produce a large enough body of evidence to either refute, revise or expand these developmental correlations.

For additional information about the larger body of my work, please visit [www.tcollinslogan.com](http://www.tcollinslogan.com). For more information about Integral Lifework, please visit [www.integrallifework.com](http://www.integrallifework.com).

# Articles of Transformation for a Level 7 Political Economy

by T.Collins Logan

## ***Introduction***

Since 2004 I have been developing ideas of social, political and economic reform that harmonize with the principles of [Integral Lifework](#). As you will see, this context is a key component of a Level 7 political economy, because without individual and collective moral development and the nurturing structures that support it, any advances beyond our current self-destructive state of social, political and economic affairs will be unsustainable. In short, unless we mature ourselves enough to embrace “the unitive principle” of inclusive and skillful compassion, the most elegantly designed egalitarian architecture will sabotage itself. Along these same lines, the process of outlining revolutionary proposals will of necessity need to be participatory and dynamic in nature, continually evolving as ideas are discussed, implemented and tested. To that end, I have created the [www.level-7.org](http://www.level-7.org) website, where I continually invite feedback on drafts of the *Level 7 Articles of Transformation*. At this point, all of these proposals are designed specifically to address U.S. systems of economy and governance.

Two important notes for navigating this document:

- All of the hyperlinks provided in this document are web-based, accessing either the Level 7 website itself or Internet resources and references. None of the visible links connect to other portions of this document.
- Many “Proposed Solutions” are duplicated across multiple Articles, because they are relevant to multiple concerns raised within each one. However, in this essay I have confined explanatory details about each proposal only to a single Article for which that proposal seems most thematically relevant.

## ***Special Thanks***

*Special thanks to David MacLeod, Ernie Bornheimer, Mark Edward Niblack, Trevor Malkison, Jennifer Grove, Scott GrantSmith, Jeff Wright, Steven Douglas Daly, Eric Pierce, Bill James, Scott Debenham, my wife Mollie and my siblings Sam, Karin and Kirsten, and the many exchanges on Quora.com that likewise sharpened my thinking around these topics.*



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## ***The Underlying Philosophy of Level 7***

### **What Are the Core Design Principles of a Level 7 Political Economy?**

The following is an overview of core design principles and provides links to a more in-depth discussion of each idea. The more original ideas will be elaborated upon in this essay.

- [Self-Nourishment and Moral Evolution](#)
- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
- Commons-Centric Production and [Worker-Ownership](#)
- Minarchy, [Subsidiarity](#) and [Polycentric Governance](#)
- Collective, Egalitarian Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))
- [Egalitarian Efficiency](#) & Diffusion
- [Sustainable Design](#)
- [Precautionary Principle](#) & [Pilot Principle](#)
- [Critically Reflective Participatory Action](#)
- [Revolutionary Integrity](#)
- Ending the Tyrannies of [Monopoly](#) and [Private Ownership](#)
- [Change in Property Orientation and Valuation](#)

### **Where Did the Philosophy Behind a Level 7 Political Economy Originate?**

These ideas coalesced over a number of years as an outgrowth of studying how moral development, economics, traditional philosophy, cultural values, history, politics and democracy have generated and intersected within political economies over time. The influences have been broad, but include these contributions and considerations:

#### ***Influential Concepts***

- Elinor Ostrom's research on [common pool resource management](#) that arose organically around the globe, and which helped inform the shape of polycentric governance.



- Aristotle’s elaborations on [virtue ethics](#), especially as they intersect with democracy, commerce and political obligation.
- As a response to the pervasive corporate oligarchy extensively exposed by Noam Chomsky, Naomi Klein, Chris Hedges, Yanis Varoufakis, Greg Palast and others.
- Integrating lessons learned by Alec Nove about the failures of State socialism and potential remedies.
- Consideration for the varied insights and vision of many economists, such as Thorstein Veblen, E.F. Schumacher, Thomas Picketty, Karl Marx and Amartya Sen.
- Howard Odum’s concept of Earth as a closed or isolated ecological system, subject to the laws of thermodynamics and cycles of energy transformation, and the consequent development of approaches by David Holmgren, Peter Pogony and others to operate sustainably within such a system.
- Paulo Freire’s emphasis on an inclusive, participatory, dialogical educational process to bring about social change through individual self-empowerment and [critically reflective participatory action](#) (critical pedagogy or [praxis](#)).
- A [convergence of ideas and evidence](#) encountered in moral philosophy, theories of human development, spiritual disciplines, enduring works of art, neuroscience and evolutionary biology around the [centrality of prosocial behaviors](#) as the basis for human society and collective survival.
- Paul Piff’s research on the deleterious effects of wealth, greed and social status on social relations.
- Adam Smith’s warnings about the [dangers of monopolies](#).
- The selective merits of various [libertarian socialist](#) and [anarchist](#) proposals.
- Employing [Ken Wilber’s AQAL schema](#) to help define what [integral liberty](#) should look like.
- Proven advantages of member-owned and [worker-owned cooperatives](#) over shareholder-centric institutions and management.
- The importance of the [pilot principle](#) - along with its [precautionary principle](#) corollary - in considering all activism or when implementing any solution.
- The demonstrated advantages and historical precedents of *subsidiarity*, *collectivism* and *egalitarianism*, and the observation that *all concentrations of wealth and power are destructive to democracy and economic freedom*.
- Implementations of direct democracy in Switzerland, installed in parallel with representative democracy (and holding those elected officials accountable).
- A re-engagement of *civic responsibility*, first and foremost *at the community level*, via both governmental and non-governmental institutions.



- Relying on *evidence-based* solutions that are customized to regional and local differences, rather than trying to impose homogenized conformance.
- The exhortations and warnings of philosophers and activists throughout history that the methodologies, values, prejudices and attitudes embodied in any movements or activism will persist into the institutions and cultural norms that emerge out of that revolution; I call this *revolutionary integrity*.

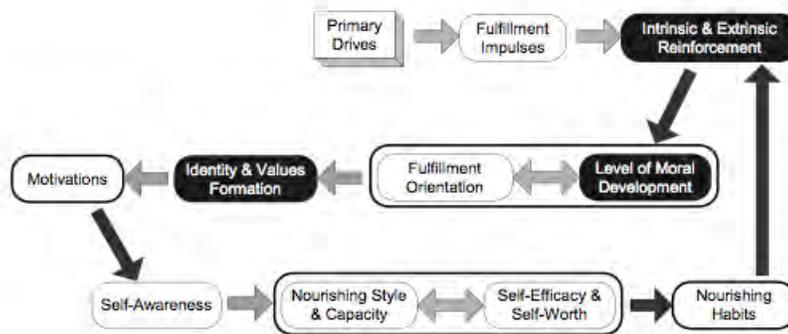
### ***Original Ideas & Supportive Insights***

*(To appreciate how many of these elements interrelate, I recommend either reading [Integral Lifework Concepts, Tools & Assessments](#) for an in-depth overview, or [Integral Lifework Developmental Correlations](#) – available in the Appendix of this essay - for a summarizing snapshot)*

- That *multidimensional nourishment* (both individually and collectively, in widening circles of intention and action) creates critical support structures for moral development, and that moral development, in turn, *is a critical support structure* for an advanced political economy.
- The acknowledgement of a *unitive principle*, evident in nearly all philosophical and spiritual traditions - and supported by research into group selection and the evolution of prosocial traits - that identifies loving kindness as the fundamentally binding force in social cohesion, organization and development.
- That *capitalism is profoundly antagonistic* to social cohesion and moral development, and that *individualism* and *materialism* - especially as championed by *neoliberalism*, Right-Libertarianism, and Randian objectivism - aggressively counteract the unitive principle.
- Redefining *property position* in terms of the *type of ownership*, *functional abstraction layer*, and an *holistic valuation* (that includes use value, externalities and effective nourishment capacity), as a central building block of a Level 7 economy.
- The importance of *multidialectical synthesis* in addressing complex systems as both an individual, interior discipline and as a collaborative, participatory process.
- The criticality of developing and reinforcing personal and collective *functional intelligence* - especially in terms of values alignment between our personal life, social mores, cultural traditions, and our economic, legal and political systems.
- Other unique features of a Level 7 political economy, such as *daily direct democracy* and the Public Priorities Database, a *social credits* with accountability system, a *Public Information Clearinghouse*, diffused currency issuance backed by *common property shares*, etc.



## What Is the Role of Integral Lifework?



Integral Lifework, as a form of self-enriching and self-empowering multidimensional nourishment, was initially created as a form of holistic self-care. Over time, it became clear that Integral Lifework practice had a profound impact on development and transformation in nearly every aspect of being, and that this transformation had a natural tendency to radiate outwards into larger and larger arenas of action and intention. Of critical importance to models of an advanced political economy, Integral Lifework naturally encourages innate moral development - a necessary prerequisite for positive social change to occur and endure. Also endemic to the nourishment model is a reliance on internal and relational resources, rather than externalized (objectified and commodified) dependencies, so that Integral Lifework praxis becomes an antidote to the spectacle itself. In addition, there is a deliberate effort to differentiate diluted or ineffective “substitution” nourishment from the real deal in each dimension of being - so that moral development, self-reliance, discernment, skillful compassion and other benefits of integral practice are more fully energized and strengthened over time. In this way Integral Lifework also helps synthesize the character and endurance necessary to sustain revolutionary integrity.

## **Article I: Regarding Concentrations of Wealth, Their Disruption to Democracy and Proposed Remedies**

### **Problems To Solve**

Arbitrary, self-serving, self-perpetuating concentrations of wealth and power that create a de facto “ruling class” of owner-shareholders that undermines democracy. This is primarily due to:

- Inherited material assets and cultural capital maintain wealth inequality
- Illicit enlargement of capital via political cronyism, clientism and regulatory capture
- Extraordinary and widening income inequality
- Engineered disruption of economic mobility through subsistence wages, increased debt burden, and dependent consumption
- Sabotage of democratic process via political campaign financing, gerrymandering, media capture and voter disenfranchisement
- Insulation of corporate holdings and accountability through corporate personhood and pro-corporate judicial activism
- [Monopolization](#) and consequent disruption to constructive competition and innovation
- Aggressive promotion of [neoliberal agenda](#) via media, democratic processes, public policy and all branches of government

### **Proposed Solutions**

1. [Disrupt “business as usual” & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
3. [Institute greater direct democracy at all levels of government](#)
4. [Create citizens councils via civic lottery](#)
5. [Limit all political campaigns to public funding & a cap of gifted media advertising](#)
6. Migrate away from shareholder ownership of production to common and [worker ownership](#)
7. Eliminate [corporate monopolies](#)



8. Establish collective and transparent deliberation over industry-wide salaries and highest-to-lowest pay ratios (via some combination of direct democracy, citizens councils and worker voting)
9. Create new community-centric schema & structures for enterprise
10. Create non-profit infrastructure & essential services sector of competing enterprises & social credits system (i.e. a Universal Social Backbone – see Article VI)
11. Enlist the wealthiest elite as change agents
12. Institute 30% tithe on all inheritance and migrate away from private ownership towards common ownership (i.e. a Level 7 property position)
13. Reform the stock market & fiat money, and end speculation without value (see Article IX)

*More detailed explanations of these proposals will be offered in the Articles that follow.*



## ***Article II: Regarding the Failures of Representative Democracy to Serve Its Electorate, and the Need for Expanded Direct Democracy and Civic Engagement at the Community Level***

### **Problems To Solve**

- Elected representatives represent special interests and wealthy rather than electorate
- Individual voters feel profoundly disconnected from a highly abstracted political process, resulting in a felt reality of “taxation without representation”
- Crony capitalism and clientism have captured regulation and bent all branches of government to neoliberal and corporate agendas
- Gridlock in state and federal legislatures has undermined voter confidence in the efficacy of government
- Representation in state and federal government has been gravely distorted by excessive gerrymandering
- Two-party polarization and in-group/out-group tribalism and demonization has crippled effective governance
- The electoral college and primary systems do not fairly or accurately convey the will of the people in both candidate and platform competition and selection

### **Proposed Solutions**

1. Hold elected officials accountable via referenda
2. Institute greater direct democracy at all levels of government
3. Create citizen councils via civic lottery
4. Limit all political campaigns to public funding & a cap of gifted media advertising
5. Institute universal algorithmic redistricting for U.S. elections
6. Eliminate the electoral college completely, if necessary via Constitutional Amendment
7. Revamp primaries so that more candidates, parties and perspectives can compete on a level playing field
8. Reform judicial elections, appointment process & terms to increase independence of judiciary



9. [Advocate grass-roots non-governmental civic institutions focused on community engagement](#)

### Implementing Direct Democracy and Democratic Reforms at All Levels of Government

In conjunction with the proposed [Information Clearinghouse](#), there is no reason to delay implementing direct democracy in several different ways. The technology and proof-of-concept exist - all that is required is the will, and likely Constitutional Amendments regarding the following proposals that empower the people to govern themselves.

The [Swiss model](#) of direct democracy, which operates in parallel with representative democracy, has some proven mechanisms and characteristics that can inform a U.S. version, and should be consulted in detail - all the way down to the municipal level. In such a context, the existing mechanisms and traditions of representative democracy could run in parallel with new, direct democracy provisions; elected representatives all the way up to POTUS would, however, have much less power. In addition, I would propose the following elements to enhance such a system:

- **Two-Stage Voting** - A preliminary vote and a final vote, separated by as much as six months, for all major direct voting (public office elections, recalls, initiatives, referenda, censures, etc.). This is to allow a cool-down period over controversial initiatives or legislation; additional time to research and fact-check legislation, initiatives and candidates; and allows for a reversal of certain decisions that may have been too hastily considered (i.e. “cold feet” reversals). In between each stage of the vote, [Citizens Councils](#) at the appropriate level will review and make their recommendations on the issues as well.
- **Daily Direct Democracy** - Internet voting on a daily basis - from a secure app on a smartphone, public library terminals, or a home computing device - on all legislation, executive actions and policy changes at all levels of government, for all branches of government, and for all governmental organizations, as well as to express public preferences for in-process legislation and government agency decisions. In some cases this would operate similarly to a “public comment” period, in some cases an advise and consent mechanism, and in the most impactful decision-making as a binding authorization. These differences would be the result of both public preference (i.e. established public priorities), and a result of the number of votes on a given issue - the higher the vote count, the more binding the vote becomes. In all such instances, a 90 day lead time should be provided for any proposals before the preliminary vote. And of course voting for local issues would be restricted to algorithmically defined districts within each region.
- **Public Priority Database** - As a participatory mechanism, anyone can propose a topic for public consideration, and the topics that are either a) voted into priority, or b) aggregated into an overarching topic whose sub-topics have been voted into priority will be formalized into policy initiatives, research initiatives, executive actions and/or legislation which will also be voted upon in their final form.



- **Unique Digital Identifier** - A strongly encrypted identifier assigned to all citizens of voting age, which is used to access voting sites, the Public Priority Database, the social credits system and other governmental and communal systems. It is likely also essential that two-stage verification and biometric verification also be implemented, along with secure systems for both rapid re-issue and immediate retirement upon death. This UDI (in physical, non-replicable form) will also be used to access different levels of Infrastructure and Essential Services.
- **Algorithmic Redistricting** - Using one consistent, objective, transparent algorithm across all regions of the U.S. to apportion districts to voters. As one example, see Warren D. Smith's [Splitline method](#).
- **Technocratic/Administrative Corps** - In some cases elected directly by the public, in some cases appointed by citizen's councils, in some cases selected by a civic lottery restricted to a pool of individuals with specialized skill sets and experience, there will need to be career technocrats and administrators in government positions who run government itself and its often highly technical or specialized programs.
- **Accountability for Elected and Appointed Officials** - Whether via direct referenda, temporary censure, and regular feedback and approval ratings, or as guided by citizen's councils or other governmental checks-and-balances, all elected or appointed officials will be subject to immediate and actionable evaluations from the electorate.
- **Campaign Reform** - Public funding of all campaigns (elected officials, initiatives, referenda, etc.) via equal gifted media time, strict source-branding and [PIC](#) fact-checking disclosures of all media and propaganda created by third-party special interests *that is embedded in the media itself* (a simple summation segment at the end of a given multimedia segment, or printed on physically distributed media, should suffice).

### Civic Engagement at the Community Level

There are four primary components of community level involvement in a Level 7 political economy:

- **Citizens councils:** At all levels of government and as ongoing components of governance, citizens councils would be created via civic lottery.
- **NGOs:** Grass roots civic organizations, spontaneously created at the community level, which operate independently from governmental institutions.



- **Daily Direct Democracy:** As an additional avenue of engagement, community members can raise and comment on issues important to them, help decide on budgeting priorities for community planning, and hold local business enterprise accountable (in much the same way that the BBB or Yelp does currently, but using a Unique Digital Identifier for each citizen to prevent distortion of data).
- **Community-centric, non-profit public institutions:** For example, Community Land Trusts (CLTs), Community Development Corporations (CDCs), and Community Banks (credit unions).

These function as part of the checks-and-balances process in conjunction with elected or appointed technocratic and administrative positions.

### ***Citizens Councils***

Citizens councils become the secondary deliberation bodies for self-governance after direct democracy - a means of refining the will of the electorate and interfacing with other civic institutions. There have been many examples of similar bodies throughout history, such as [Community Planning Groups](#), and these can offer helpful guidelines on how to define roles, responsibilities and administrative processes. The main difference with Citizens Councils in a Level 7 context is that they would always always appointed by lottery, with strict term limits. However, there is also a hierarchy to the civic lottery pools that reflects the Council hierarchy in terms of larger geographic regions. For example, only those who have served their full term in a community-level Council would be eligible for the metro-municipal level Council inclusive of that community; only those who have served a full term in the metro-municipal Council are eligible for for district-level Council inclusive of that metro-municipality, and so on. These eligibility criteria can then continue up the hierarchy through megalopolis, state, regional and national Councils. It seems inevitable that such Council experience will, over time, create a pool of skilled public administrators who can then run for elected offices as well.

What also differentiates the Council lottery process from existing lotteries - such as those for jury duty - is that the lottery occurs several months prior to active appointment to a given Council. This allows those selected to prepare for their appointment - in terms of education and any necessary reorganizing of their private life around the appointment's duties. As with all other public service positions, Council members can potentially be censured via daily direct democracy of their constituents. At the same time, all such censures (along with any and all successful direct democracy initiatives) are reviewed and approved by both the local and upstream Councils. If a Council approves of the stage one direct vote results, the results of the stage two direct vote will become binding. If the a Council disapproves of the stage one direct vote, then the stage two direct vote becomes provisional, and deliberation advances to *the next geographic level of both Council and direct vote*. The same deliberation process is then repeated until a final binding decision is reached.

### ***Community Land Trusts***

Community Land Trusts are an example of public institutions that operate at the community level. They would be subject to the “advise and consent” guidance of Citizens Councils and Daily Direct Democracy in addition to a tripartite Board of Directors, in order to manage common property and resources at the community level. This is also a great opportunity to implement elements of Ostrom’s CPRM and polycentric governance. The same management and oversight principles can also be applied to other public community institutions, such as CDC and local credit unions. I this group of organizations could be an ideal network to manage common property shares and issue currency backed by those shares.

### ***Spontaneous, Grass Roots Civic Organizations***

A convenient way to categorize this phenomenon is “community organizing,” and plentiful resources are available on the topic. All we are really concerned with here is the civic function such organizing serves in the context of authentic liberty, and some useful participatory models for these grass roots institutions. Michael Brown, for example, describes them in his superbly practical guide, *Building Powerful Community Organizations*.

### ***Why Is Community Engagement Important?***

Communities are where ready cohesion is waiting to sally forth. Whereas complex, abstract, global issues may be difficult to harness in terms of building consensus, it is relatively simple to find common ground around pressing community concerns. Local housing and real estate development, local energy production, local roads, local businesses and jobs, local environmental issues, local air and water quality, local animal concerns, local entertainment, local grocery and retail, local banking, local crime...people already care about what is happening in their community. All that is required is a concentration of focus, a regular dialog, and demonstrated evidence that voluntary engagement will produce desirable results. In addition to the mechanisms outlined above, Level 7 also adds community property shares, daily direct democracy, and Community Coregroups to the mix to further strengthen civic involvement at the community level.



### **Article III: Regarding the Unsustainable Depletion, Destruction and Pollution of Natural Environments, Resources and Ecosystems, and the Practices and Policies Necessary for Sustainable Systems**

#### **Problems To Solve**

Irreversible destruction of countless species, ecosystems and non-renewable natural resources, mainly as a result of:

- Unrestrained, organized corporate greed that disregards known negative externalities
- Unintended consequences of rapid technology development and deployment in concert with undisciplined resource exploitation
- Explosive growth of human populations and economies, with ever-enlarging concentrations of human habitation and industry
- The idealization and spreading adoption of U.S.-style consumerism and conspicuous consumption
- Individual, corporate and collective [superagency](#) enabled by increasingly sophisticated, powerful and proliferating technologies, *without concurrent moral development or civic accountability*
- The perpetual expansive pressures of [growth-dependent capitalism](#) and unsustainable consumption habits
- Disruptive and chaotic climate change influenced by human activity
- Careless and accelerating chemical, radioactive, electromagnetic and particulate pollution of natural environments

#### **Proposed Solutions**

1. Inspire environmental consciousness (via the [unitive principle](#), integral practice and ongoing education)
2. Implement the [precautionary principle](#) at all levels of decision-making regarding technology production, resource utilization and public policy
3. Slow down growth-dependent economies and encourage localized, diverse and distributed interreliance of commerce and production, rather than homogenized centralization
4. Phase out unsustainable and destructive consumption (overconsumption of energy, beef, water-intensive crops, products requiring deforestation, etc.)



5. [Encourage adoption and discourage reproduction](#)
6. Develop highly distributed, eco-synergistic energy practices and retire fossil fuels
7. Establish [community-centric self-regulation](#) of industry and common resource utilization via direct democracy and citizens councils
8. Learn from Nature’s mutually supportive patterns, and replicate them in the humanity-ecology relationship

## The Unitive Principle

In short, the “unitive principle” is innate and cultivated love - specifically an unconditional love-consciousness that inhabits the felt experience of compassionate affection - that invites social cohesion, stimulates prosocial behaviors, and energizes individual and collective moral evolution. The impact of the unitive principle on personal and societal development is captured in the **Integral Lifework Developmental Correlations** chart in the Appendix. Here is a web link to that chart as well:

### [Integral Lifework Developmental Correlations](#)

It takes a while to absorb the content of such a chart, and it would take even longer to discuss it more fully, but the idea that there is a predictable arc of moral advancement is an essential feature of the values hierarchies that support constructive integralism. If we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we can begin to arrive at values hierarchies that are not only internally consistent, but that energize a clearly defined evolutionary arc amid complex and often competing systems. When combined with multidimensional awareness, we can sort through the profoundly complicated issues of the modern world and assign dynamic, flexible priorities. I can attest to this not only theoretically, but from my own experience. In managing people in organizations, for example, whenever I placed “the good of All” above any other agenda – above shareholder profits, for example, or my own ego gratification, or the favoritism of one person over another, etc. – then the outcome was always beneficial to the largest degree for the largest number, as long as I could integrate as many perspectives as possible within this compassionate prioritization.

My understanding of love-consciousness, values hierarchies, the greater good and so on continue to be transformed by the integralizing filters of discernment, a neutral holding field, flexible processing space and multidialectical processing. I believe it has been through this growth curve that I eventually arrived at the book *Political Economy and the Unitive Principle*, where the importance of collective moral development in enabling the capacities and durability of civil society becomes so pronounced. Here again, all of this remains dependent upon individual commitment to self-nourishment and loving intentionality that expresses the “unitive principle” of love. As I wrote there:

“Is it the natural maturation of a more sophisticated and far-seeing self-interest that inspires a unitive vision? Is it an inevitable evolutionary refinement in social relations? Is it an



arbitrary hiccup in the development of the brain that provides some adaptive advantage? Is it evidence of a divine imprint on the human psyche, or part of what Sri Aurobindo called "supramentalisation," the ongoing descent of the divine into the material plane? I have my suspicions, but of course I don't know the answer. I have just observed it over and over again: the unitive principle appears to be firmly embedded in holistic nourishment and moral creativity as a function of natural maturation and growth, with continuously humanizing, harmonizing and liberating effects. And this why I believe transformative, all-encompassing love-consciousness should become our guiding intentionality for everything, including models of political economy, because this kind of skillfully compassionate affection has proven itself to be the most constructive force available to us."

## Sustainable Design

### *Honoring the Earth - as a Closed Energy System - in a Level 7 Political Economy*

This topic has been carefully thought through by so many prolific and talented folks that I can only tip my hat to them as I organize what I think are important concepts. In particular, the work of Odum, Holmgren and Pogany seem to introduce a harmonious resonance as they point toward both the challenges and solutions of sustainable practices - in terms of food and energy production, collective consumption, a different global economy, globalized modeling and so on. I'd like to thank David Macleod (see <https://integralpermaculture.wordpress.com/about/> and search for David's articles on <http://www.resilience.org>) for introducing me to many of these resources, as well as his own informative insights and encouragement in this area.

Here then are a few highlights regarding peak oil demand, Permaculture, Pogany's "Global System 3," and other ideas that I find compelling, tailored or reworked with some of my own language:

- **Environmental Consciousness** - It must become a given (via the [unitive principle and its expression in cultural development](#)) that human beings see their relationship with the Earth and all its ecosystems as cooperative and mutually supportive, rather than exploitative and anthropocentric.
- **Eco-Synergistic Energy** - The operational assumption that we have already passed the point of being able to rely on cheap fossil fuels for energy production, and that we need to shift rapidly to energy production that works with Nature (and in fact imitates it) instead of consuming natural resources. Intrinsic to this approach will be a fundamental commitment to high quality energy storage, and ideally one that replicates and/or interacts with biological systems.
- **A "Breathing" Economy** - Embracing economic rhythms that are much closer to a cyclical steady-state than more growth-dependent boom and bust.



- **Zero Population Growth** - A deliberate and perpetual reduction in fertility rates to minimize human impact on the planet.
- **Radical Reduction in Consumption** - Not just in terms of waste and recycling, but in aggressively attenuating a consumer mentality that drives overconsumption and overproduction.
- **Create or Enhance Mutually Supportive Systemic Relationships** - Instead of segregating and isolating functions, technologies, systems, individuals and communities (i.e. the “silo effect”), integrate them in mutually supportive ways. Along the same lines, observing where ecological patterns and human patterns (cultural, behavioral, economic, etc.) intersect in constructive, mutually supportive ways can offer fruitful insights for praxis.
- **Support Diversity’s Ascension Over Homogenization, and Celebrate “Small and Slow”** - This harmonizes with the subsidiarity principle, with the aim of distributed inter-reliance rather than centralized concentration or large-scale homogenization of resources, production, etc.
- **Encourage Community Self-Regulation** - Consult Elinor Ostrom’s CPRM approach regarding this.

I would only add that without a concert of approaches such as all those suggested for a Level 7 political economy in this essay, such efforts at sustainability will inevitably fall short. For example, capitalism itself - in its current form - is simply too powerful of a juggernaut to achieve meaningfully sustainable practices; commercialistic corporationism will always undermine efforts at sustainability in order to drive the frenetic growth upon which it relies.

### **Encourage Adoption & Discourage Reproduction**

If trends in developed and developing countries are any indication, it is likely that human population will eventually stabilize. In the meantime, however, explosive population growth continues to have an enormous impact on demands for resources, environmental destruction and pollution, and perpetuation of poverty. Instead of incentivizing reproduction through tax credits and welfare benefits, while at the same time limiting access to family planning and reproductive choice for women, we can reverse this position. For example, additional social credits could be made available for anyone who adopts any number of children, whereas the same benefits would only be offered to the first two children that a couple conceives. It is clear that for any such proposals to gain traction in a meaningful way, the average moral altitude of the general population will need to advance beyond egoic and tribal orientations to an Earth-centric level of awareness or beyond.



**Article IV: Regarding Exploitation and Deception Of, and Injury To, the Worker-Consumer Class by the Owner-Shareholder Class, and the Consequent Necessity of Worker or Common Ownership of Production**

**Problems To Solve**

The amplification of destructive production and consumption that benefits the ruling class (owner-shareholders) while increasing burdens and injuries for the non-ruling classes (worker-consumers):

- Exploitation of natural resources and labor, often at the expense of the well-being of workers, local communities and surrounding ecosystems
- Socialization of business risk and public funding for research and development of profit-making innovations
- Rewarding pathological behavior (i.e. “business as usual”) and divorcing business ethics from prosocial norms
- Privatization of public goods
- Engineering artificial demand through marketing and advertising, as complemented by concurrently engineered scarcity

Pervasive, devastating and self-amplifying injury to all human beings, and most acutely the non-ruling (worker-consumer) classes:

- Toddlerization and infantilization of consumers - creating excessively dependent consumers who cannot care for themselves and externalize all problems and solutions, then become habituated to chronic consumption and commercialized addictions around those commodities
- Accelerating changes in technology and a forceful expectation that everyone to adapt to them immediately
- Enticement and reward for operating at the lowest common denominators of moral function (animalism)
- Ever-expanding marginalization, disenfranchisement, criminalization and incarceration of anyone who challenges the capitalistic status quo, or who can't (or won't) operate within it
- Snowballing physical and psychological diseases and dysfunction directly attributable to commercialized programming of diets, stress and conspicuous consumption

Increasingly global homogenization of human culture, caused by:

- Greater economies of scale through monopolization and mass production
- Lowest-common-denominator marketing appeals
- Allure of U.S.-style consumerism and its inherent “newer-is-better” frenetic meme
- Technological standardization

## Proposed Solutions

1. [Disrupt “business as usual” & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
3. [Institute greater direct democracy at all levels of government](#)
4. [Create citizen councils via civic lottery](#)
5. Migrate away from shareholder ownership of production to common and [worker ownership](#)
6. Eliminate [corporate monopolies](#)
7. [Create new community-centric schema & structures for enterprise](#)
8. Create non-profit infrastructure & essential services sector of competing enterprises & [social credits](#) system (i.e. a [Universal Social Backbone](#))
9. [Enlist the wealthiest elite as change agents](#)
10. Migrate away from private ownership towards common ownership (i.e. a [Level 7 property position](#))

## Worker Ownership of Production

### *Worker-Owned Cooperatives*

Simply stated, this is a successfully demonstrated approach to solving many of the problems in shareholder-centric capitalist enterprise, including the tyranny of private property, the tensions inherent to establishing owner-management and workers as separate classes, and ensuring the safety, well-being and job security of workers, and adequate diffusion of knowledge and training – all of this while still providing opportunities for competition in both non-profit and for-profit environments. Production on nearly every scale can be delivered by networks of worker-owned cooperatives who routinely vote on working conditions, compensation, strategic and tactical directions of the business, internal



management structure, customer relationships, integration with local communities and so on. This is basically a “direct democracy for organizations” structure that can be (and has been) implemented in nearly every business sector, from banking to manufacturing to shipping to farming to garbage collection to healthcare. To fully appreciate the nuts and bolts of implementation, the breadth of some real-world experiments, advantages over bureaucratic organizations, and the rationale behind worker-owned cooperatives, I recommend consulting *The Cooperative Workplace* (1989) by Joyce Rothschild and J. Allen Whitt.

In order to initially migrate shareholder ownership to worker ownership, it will be necessary to create a path that encourages or incentivizes transition rather than engineering involuntary expropriation. Remembering that monopolies would first need to be broken down into smaller, networked enterprises, and that some of these enterprises will become non-profit, transfer of ownership can become less of a herculean task. For example, such transfers can be initiated through worker-buyouts backed by the common property shares in the workers’ community, or elite change agents could be recruited who can gift businesses to their workers. Lastly, all of this would occur in conjunction with a radical downsizing of the stock exchange, so that . From the perspective of shareholders, there will be a change in asset valuation and value conversion, as fiat currency is first diffused and then replaced, as social credits and the Universal Social Backbone schema intersect with growing portions of economic activity, and a system of holistic valuation begins to gain momentum. So there will be attenuation of individual wealth concentrations, but again this would hopefully and in largest part be voluntary, inspired by widespread acknowledgement of the unitive principle and expressed through direct democracy.

### **Egalitarian Efficiency**

[Pareto Efficiency](#) describes a state of allocation of resources where “it is impossible to make any one individual better off without making at least one individual worse off.” Egalitarian efficiency, on the other hand, describes an allocation of resources where there is both *equality of opportunity* and *equality of outcome* for all individuals. How is this possible? It is possible because both opportunities and outcomes are in constant fluctuation and adjustment - in terms of their availability and duration - so that everyone ultimately can benefit to the same extent over a given period of time. In other words, we could say that everyone will experience an equal outcome to the experiences of others *at some point in time*, but not necessarily at the *same point in time*. Group A will experience certain privileges or benefits while Group B does not, then Group B will experience those benefits and privileges while Group A does not. In egalitarian-efficient systems, nothing becomes an imposed static state, but rather a targeted dynamic that is facilitated by various checks-and-balances. In the case of Level 7 proposals, these include the social credits system, direct democracy implementations, worker-ownership of enterprises, money backed by common property shares, community NGOs, and so forth. Only if all of these components act together in a harmonized and mutually supportive way will equality of opportunity and equality of outcome be sustainable - as an-ebb-and-flow - over time. And if they don’t for some reason? Well that is where these same mechanisms can be relied upon to remedy imbalances and inequality. This is part of what a “breathing economy” looks like, and is in fact dependent on all the other factors of [sustainable design](#) being reified in the most diffused implementation



of democracy, production, administration and regulation possible. I think it is inevitable that the ebb-and-flow of opportunity and outcome will also apply to different communities, regions and nations as a similar long-term balancing act. Again, however, this would be in gentle, often collectively directed cycles of give-and-take with continuous variation and adaptation to different regions - rather than either cookie-cutter top-down solutions imposed by the State, or the lopsided and always inequitable free-for-all generated by the profit motive.



## **Article V: Regarding the Toxic Dangers of Ignorance, Moral Immaturity and Misinformation in a Functional Democracy, and the Need to Create Countervailing Informational and Educational Institutions**

### **Problems To Solve**

Distraction and misinformation of the oppressed non-ruling classes (worker-consumers) with bread and circuses, propaganda and truth-discrediting tactics, which rejuvenate themselves in new and spectacular forms:

- Artificially generated populist narratives that equate “freedom” to the enlargement of corporate control and dependency, attenuation of public civic institutions, and voting against one’s own best interests (see [neoliberal agenda](#)); then associating nationalism, religious correctness and conservatism with blind ideological conformance to these narratives
- Vilifying intellectualism, liberal arts disciplines, publicly funded scientific research, higher education and the public education system, so that these institutions can be dismantled or privatized, and the electorate can thereby be made increasingly ignorant and gullible
- Perpetual creation or amplification of scapegoats in mass media to redirect public discontent away from corporatocracy - *big government, terrorists, illegal immigrants, gay marriage, abortion, Muslims, etc.*
- Grooming champions of these disruptive narratives, ideologies and approaches to be elected or appointed to public office, succeed in corporate America, or gain prominence or celebrity status in mass media
- An endless diet of multimedia entertainment, advertising, celebrity creation and yellow journalism as part of an ongoing [spectacle](#) to anesthetize the masses
- Corporate capture of mass media to “control the message” via news outlets and talk shows
- Educational environments that inspire conformance, regurgitation and black-and-white reasoning, rather than curiosity, critical thought, and appreciation of nuance and complexity
- Selective sorting, presentation, promotion and exclusion of Internet-based information via for-profit search engines

## Proposed Solutions

1. [Community Coregroups](#) that encourage civic engagement, collective egalitarianism, multidimensional nourishment and moral maturity
2. K-12 multidimensional self-care training ([Integral Lifework](#) or other) that likewise encourages civic engagement, collective egalitarianism and moral maturity
3. Curricula that return to liberal arts and [fine arts emphasis](#) in balance with STEM disciplines, and inspire a critical thinking, curiosity and evidence-based mindset without excluding creative, intuitive and spiritual input streams
4. Creation of a [Public Information Clearinghouse](#) (PIC) with multidimensional analysis of all data (this could ultimately replace Google or other commercially-driven search engines, or be a frontend aggregation/filtering mechanism)
5. Establishing the [Fourth Estate](#) as a formal, independent watchdog branch of government via [Constitutional Amendment](#); in this case populated with independently [elected journalistic technocrats](#) who cannot hold other public office, and influenced by daily direct democracy and citizens councils just as the other branches are

## Community Coregroups

The basic idea of how these groups work has come from many years of teaching classes, leading discussions, and being involved with support groups of many different types. And although the idea is simple, it won't always come naturally, and may take some practice. The format of the group is a combination of guided discussion and meditation. The "Guide" can be anyone, and in fact I encourage that role to rotate among all members of the group, with a new Guide for each session. If it's a newly established group, anyone can be a Guide. With an established group, participants should attend at least four sessions before volunteering for the role of Guide. The Guide's responsibility is to offer up the discussion questions, allow everyone in the group to participate, to remind people of guidelines if they forget them, and to follow the format below as closely as possible. The Guide doesn't answer the questions or comment on them, but encourages everyone else to do so and keeps the discussion going. The ideal Community Coregroup size is between six and twelve people. There are [detailed guidelines](#) for how these groups function and create a safe, inclusive environment. People with different personalities and strengths will have different approaches to guiding and participating, but the intent is always the same: to empower the participants.

## Public Information Clearinghouse

Initially I had conceived of this idea as mainly for producers and consumers of goods and services - as a way to manage that relationship in an informed way, based on people's values orientation and hierarchy. Then I realized that this actually extends to all information in all areas of life, and has particular import for an accurately informed Direct Democracy. For example, what is the consensus around some concept or approach in a



given discipline? What is the proven efficacy of a given treatment, medication or procedure? What independent confirmation of a set of facts is available from another source? How are sources of information rated, in terms of their historic veracity? What is the highest quality data available on a particular historic or current event? How can we have easy, fluid access to alternative viewpoints on a given topic, with tools to analyze those perspectives?

Right now the answers to such questions will be generated by the exhaustive diligence of the information consumer, or their trust in a given information authority or source, or whatever pops up at the top of a search engine result. And this is really not a good system, especially with respect to maintaining and informed electorate. Instead, independent, competing non-profit organizations, with oversight from both elected officials, citizens councils and [daily direct democracy](#), can be implemented to offer not just the huge wealth of information available on the Internet, but **portals to analyze, sort, prioritize and verify that information** according to different methodologies, algorithms and self-defined preferences and values.



## **Article VI: Regarding the Establishment of Social Credits and an Infrastructure and Essential Services Framework**

### **Problems To Solve**

Regarding infrastructure and essential services that are frequently socialized or regarded as fundamental staples of civil society, State-centric institutions and processes often induce bureaucracy, inefficiency and poor service levels, while privatization often increases cost, exploitation and [public injury](#).

Infrastructure and essential services are often taken for granted as rights or entitlements that do not require any clear reciprocation. This contributes to over-utilization and dependency, to the demoralization of service providers, and to resentment and criticisms of the “Nanny State.”

The tug-of-war over production of public goods often leads to clientism, cronyism, and other disruptions to democratic processes.

### **Proposed Solutions**

1. Create networks of non-profit community organizations, government entities and non-governmental institutions that compete to provide infrastructure and essential services: a [Universal Social Backbone](#)
2. Institute a system of [social credits](#) for utilization of infrastructure and essential services that is *tied to civic participation*

### **A New Enterprise Schema**

In order for a new values hierarchy to take shape in a Level 7 political economy, we need to create a different structure of enterprise configurations and interactions. Here are some of the elements I have proposed:

### **Categories and Tiers of Enterprise**

I would advocate for two categories of enterprise, each with multiple tiers. On the one hand, there would be a category of non-profit producers and service providers that compete with each other to provide all the features of the “Universal Social Backbone.” Due to necessities of physical-layer standardization (mass transit, for example), some would be larger, with less competition. Others could be smaller, community-level entities networked together (such as credit unions), with more diversity of competing services. This idea was inspired in part by non-profit health insurers in Switzerland who compete with each other for healthcare customers.



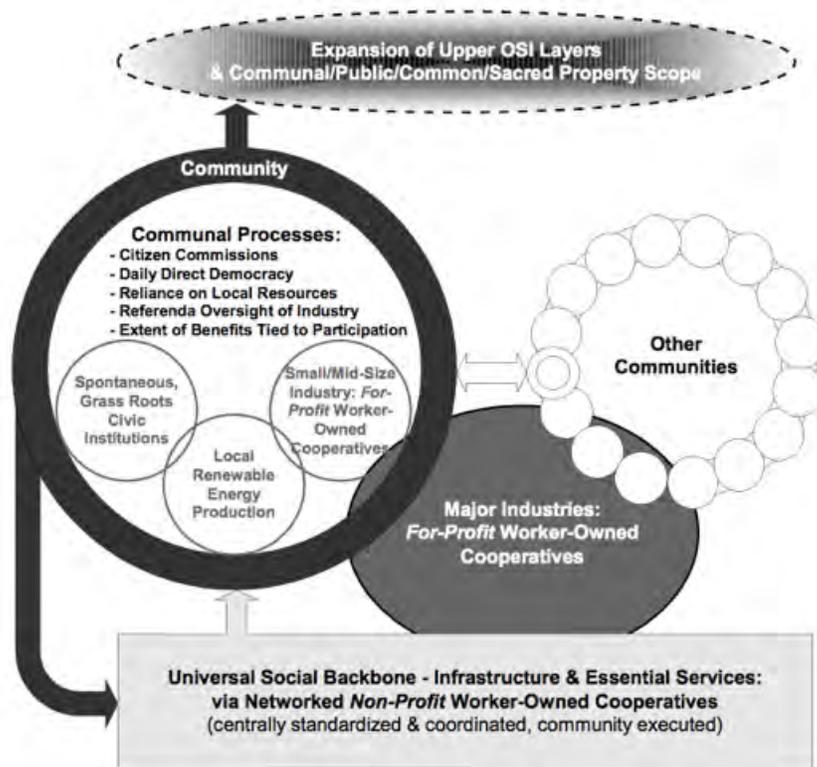
For a second major category, there would be for-profit enterprise participating in a more traditional exchange economy for goods and services above and beyond the Universal Social Backbone. This second category would also have multiple tiers. At the top would be certain major industries, especially those that a) have essentially become closed to rapid or major innovation, b) are de facto market monopolies, or c) otherwise dictate economies of scale with highly centralized controls. These would become worker-owned cooperatives subject to governmental oversight, with the level of government responsible for oversight always larger than the size and reach of the business itself. These would be much like the Universal Social Backbone category of non-profit enterprise, but in this case for-profit. There is no reason why this tier couldn't also compete with cooperatives in the first Backbone category, wherever that makes sense.

The next tier in the for-profit category would be networks of worker-owned cooperatives where both specialization and standardization have already narrowed the playing field (computing and communications, for example), but where monopolization of any one brand could still be capped at 25%. In this second tier, businesses could model flexible manufacturing networks in terms of distributed production and coordination.

Lastly, in a third tier of enterprise in the for-profit category, would be sole proprietorships or very small businesses - perhaps five people or less - that could, at least initially, follow the more traditional model of private ownership.

For all of these categories and tiers, the people will have a voice and regulatory influence via direct democracy, citizens councils, community NGOs and CDCs, and [elected technocrats](#). The objective will be to subjugate business activities to civil society, rather than inverting that relationship as it is today. Instead of managing business-consumer relationships either punitively, through the court system, or via heavy-handed regulation by the State, community-level civic institutions will become the central mechanisms of oversight. In addition, the atomistic illusion of “the empowered individual consumer,” who is just being exploited through their isolation and dependency on purchasing substitutions for well-being, will be shattered by direct civic participation, and by attenuation of the profit-motive through worker-ownership and non-profit culture.





Intellectual property would follow a similar path to collective ownership as we inevitably move towards an Open Source orientation, achieving maximum knowledge diffusion, contribution and collaboration. Remember that, for those whose level of moral maturity requires personal benefit to incentivize innovation, socially productive efforts are still rewarded via the *social credits system*. But there would be no longer be the massive concentrations of wealth resulting from exclusive ownership by individuals or organizations, so that patents, trademarks and copyrights would tend to be collectively held and have relatively brief legal durations – perhaps ten years at most.

### ***What Should be Included in Infrastructure and Essential Services?***

These are the fundamental products, institutions and services necessary for any sort of complex society to function at the most basic levels, and which have already tended to be socialized in most mixed-economies. Roads, bridges, water, electricity and communication are the first tier of this category, followed by more abstracted products and services that build on those foundations, but are still perceived as universal expectations by the general public. This second tier is comprised of the systems and institutions that provide the backbone of civil society. For example, public transportation, public healthcare, public education, public safety services, social security, and so on. As expectations differ from one zeitgeist to the next, so would the scope of inclusion in these tiers. I happen to think basic banking and insurance services, basic nutrition, basic housing, mail delivery, fundamental scientific research, worker retraining, employment placement services, and unemployment benefits also fall under "infrastructure and essential services." One common thread of these

public domain industries, however, is that they facilitate trade for the second category of labor. This is a crucial point: without centrally coordinated infrastructure and essential services, there really is no way to enable a reliable (or equitable) exchange economy of any kind.

To whatever degree possible, *all of this should be organized and tactically managed at the community level*, with centralized standardization and support, subject to direct democratic control. Instead of centrally run state institutions or corporations, there would be **networked, non-profit, worker-owned cooperatives** that are centrally regulated but monitored, but administered with a substantial degree of autonomy at the community level. It might also be interesting for different regions to compete with each other for customer satisfaction, and be rewarded in some way for their success. If the service or product being delivered provides the most fundamental level of infrastructure or essential services, there wouldn't be competition for customers between the cooperatives, but the cooperatives would be limited in size (by service area, etc.), and subject to public input and scrutiny to ensure an adequate level of service delivery. If the service or product is not part of infrastructure or essential services, then the non-profit cooperatives could compete with each other for the same customers across different regions. So although there is a strong element of central planning here, the actual control and execution is highly segmented and distributed, both because of the divisions of government already alluded to, and the emphasis on community-level organization.

There should be some mechanism to ensure the Universal Social Backbone doesn't somehow undermine individual contribution to society by inoculating the least morally developed against survival or well-being concerns. That is, there would be some form of citizen reciprocation for this foundation, and consequences for a lack of reciprocation. So, for instance, everyone who receives benefits could participate in these very same programs as unpaid volunteers for short but regular periods of time, with consistent expectations of performance. If someone chooses not to volunteer, or willfully demonstrates exceedingly poor performance, their access to some or all of these services (or perhaps certain qualities of service) could be restricted. *This consideration of reciprocity is the basis for the Level 7 social credits system.*

## Social Credits System

Everyone would be assigned an annual allocation of social credits that begins accumulating at birth; these credits will be used exclusively for infrastructure and essential services (i.e. the [Universal Social Backbone](#)), and would not be tradable. The calculation could, at least initially, be based on conceptions like the [social dividend](#), since there would be a loose correlation between social credits and an individual's portion of national (as opposed to local) [common property shares](#). The major difference regarding social credits has to do with their a) variability of *quantity* based on age, and b) variability of *quality* based on civic participation, cultural contributions and accumulated infractions. While the quantity of social credits will progress in a predictable, linear fashion for all citizens, the quality of those credits can vary greatly - either regarding the entire balance, or a portion of that balance. Consistency of allocations, tracking and quality adjustments clearly has paramount importance here, as does the strict attachment of social credits accounting to each individual's unique digital identifier to prevent misuse or fraud.



As to how the quality adjustments are made, this is likely something that will evolve over time as the program matures. As a first take on such adjustments, the following factors might be considered:

- Participation in citizens councils
- Participation in daily direct democracy (with controls that weed out arbitrary or automated participation from thoughtful engagement)
- Personal contributions to culture, economic productivity or innovation, liberal arts theory, education, technology, science, fine arts, or any other dimension of society that likewise would increase common property shares at the community, district, state or national levels.
- Personal contributions to the Public Information Database
- Participation in NGOs that successfully serve community interests.
- Participation in infrastructure and essential services that require high levels of technocratic skills, technical expertise, experience, knowledge or worker risk.
- Volunteerism in infrastructure and essential services or NGOs at any level.

Questions do arise about transferability. For example, what if someone who has enhanced the quality of their social credits beyond any usable level for their age or needs would like to enhance the social credits of others who are disabled in some way, or even someone who seems particularly deserving but whose efforts aren't recognized in the standard calculus? In such instances, it seems like they should be able to do so, perhaps through a civic lottery system made available to a) citizens nominated by a community for special consideration, or b) citizens with credits below a specific threshold of quality who desire a one-time "second chance" opportunity to improve their credit quality. This is in keeping with the idea that surpluses in society can and should be shared with those less fortunate. At the same time, there could be limits on such transfers (the duration of quality change, the quantity of credits affected, etc.) so that a temporary uplifting experience of higher quality infrastructure and essential services acts as an incentive to improve one's own credit quality through prosocial, productive, creative, compassionate behaviors.

### ***What Do Different Quality Levels of Infrastructure and Essential Services Look Like?***

This is an interesting conundrum and depends both on what is included in infrastructure and essential services, and how sophisticated or developed the Universal Social Backbone becomes. And since, in the initial implementations of a Level 7 economy, networked for-profit and non-profit enterprise will compete for Universal Social Backbone customers, some natural specialization and market differentiation will occur. There will undoubtedly be higher and lower quality options for education, mass transit, healthcare, communication, CLT housing, recreation and so forth. I can imagine the highest quality social credits being associated with rare or extraordinary experiences - trips into space, temporary residence in an mountain-top estate, front row seats at the finest entertainments, exclusive education from the most accomplished professionals in their field, access to the most advanced health-



enhancing technology, etc.

Could this service quality variation create a multi-class society of haves and have-nots, mimicking the current capitalistic phenomenon of growing wealth disparity? Yes, it could *temporarily* do so - but with significant differences. First, the “low-quality” options will actually be very good - probably much better than what is currently available. Second, the “higher-quality” recipients will not have achieved their privilege through deception, exploitation, aggression or any other nefarious means; they are being rewarded for their positive, prosocial, compassionate contributions to society as a whole (for example: the greatest good, for the greatest number, for the greatest duration). And what portion of such persons, do you think, would want to share their privilege with others where possible? I suspect a fair number. Remember also that higher quality social credits are not permanent, but only for a limited duration. Even for large accumulations of high quality social credits, if civic participation or contribution is not maintained for an extended period, the quality of those credits will begin to decline.

### ***Can We Anticipate Moral Hazards, System Gaming or other Unintended Consequences?***

First we have penalties that are inescapable, directly impacting social credits themselves. For more systemic problems, entire communities could put themselves at risk due to the linkage between social credits and common property shares. So although it may certainly be possible to temporarily manipulate the availability or quality of opportunities and outcomes, other mechanisms (direct democracy, citizens councils, technocratic administrators, competing for-profit and non-profit enterprises, etc.) will very likely discourage or adjust such situations. Indeed, as seems to have been evident in the Polis of Ancient Greece, the very ethos encouraged by direct civic participation and responsibility, along with the moral maturity that necessarily sustains Level 7 proposals, will hopefully short-circuit any flagrant abuses.



## **Article VII: Regarding the Relationship Between Property Position, Individual Liberty and Civic Responsibility**

### **Problems To Solve**

The [tyranny of private ownership](#):

- Arbitrary and capricious valuation of goods and services
- Private accumulation that dictates how common resources are utilized
- Interference with personal and collective freedoms
- Wealth concentration (see [Article I](#))
- Amplification of individualistic materialism (i.e. moral immaturity)

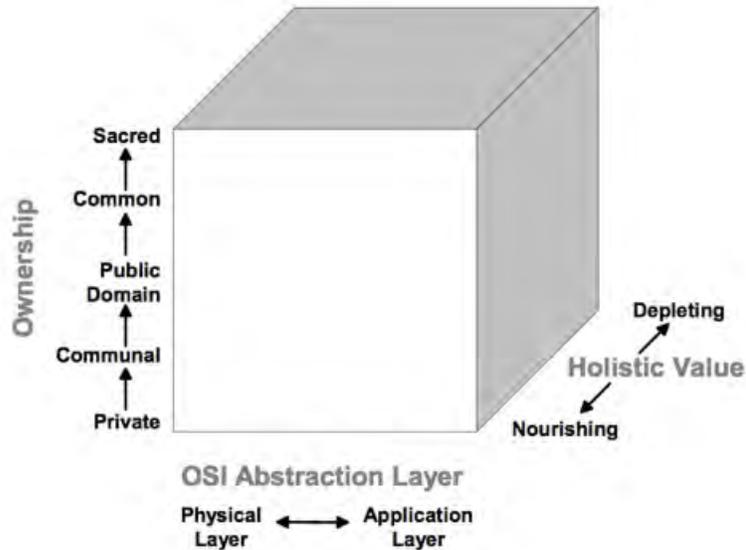
### **Proposed Solutions**

1. Progressive implementation of [Level 7 property position](#) and [common property shares](#)
2. Creation and maintenance of an *holistic value* reference index for goods and services, as a combined effort of all four branches of government, with public feedback
3. Link [social credit](#) accumulations and utilization to civic participation
4. Diffuse institutional authority, distributing local decision-making to community-level organizations
5. Elimination of [corporate monopolies](#)
6. [Community Coregroups](#) to advocate shared values, the [unitive principle](#) and moral maturity



## Change in Property Orientation: The Level 7 Property Position

### *Getting a Handle on Property*



To begin, here are seven terms in Roman law that described different forms of property and ownership, which for the most part have endured in legal concepts in the U.S. and elsewhere:

- **Res nullius:** Something that could be owned, but as of yet is not. *Potential property.*
- **Res privata:** Something that is privately owned. *Private property.*
- **Res universitatis:** Property owned by an exclusive community for that community's benefit. *Communal property.*
- **Res publica:** Property that could be owned (privatized) by anyone, but which is reserved for collective public use. Since this public benefit is usually enforced by the state, res publica is often associated with state oversight. *Public domain property.*
- **Res communes:** Something tangible that cannot be exclusively owned by anyone, mainly because of its boundaryless nature. For example, the air, or the oceans. *Common property.*

- **Res divini juris:** Something tangible that could be owned, but should not be owned because it is considered sacred. *Sacred property.*
- **Ferae naturae:** *Wild things.*

Apart from its *ownership* categorization, there is also a specific functional layer that different types of property inhabit. This is hinted at in a differentiation between tangible and intangible property, but this is an inadequate distinction. Instead, I'd like to apply something from my career in Information Technology: the Open Systems Interconnection (OSI) Model. In that model, all components of a network fit neatly into different layers, each having a unique and predictable function and scope (that is, the environment in which that function happens). Here is what these layers could represent as property designations:

- **Physical layer:** Tangible forms of property that are usually immovable and inert. For example: land, buildings.
- **Data Link layer:** Tangible forms of property that are usually immovable, and which often facilitate the conveyance of other tangible property. For example: roads, bridges, pipelines.
- **Network layer:** Tangible forms of property that are movable (even if temporarily immovable), and which may, by their nature, be able to contain and convey different layers of property. For example: vehicles, recording devices, communication and electrical lines, broadcast and relay antennas, computers, human beings, plants and animals, other living organisms.
- **Transport layer:** Property existing on the cusp between tangible and intangible, and which often acts as a conveyance medium for higher layer intangible property. For example: electricity, the electromagnetic spectrum, sound waves, psychoactive chemicals, the atmosphere.
- **Session layer:** Slightly more abstract intangible property that tends to be the nexus where all other layers intersect. For example: all creations of the mind, from fine art and inventions to philosophy and religion.
- **Presentation layer:** One more layer of abstraction and sophistication for intangible property, which tends to be intimately involved in creating lower property layers, and/or providing a context for the *application layer* to interact with those lower layers. For example: language, intelligence (human, animal or artificial), perception.
- **Application layer:** The most abstract and intangible forms of property, so far removed from the material world that their existence may be challenged and their contribution questioned, but which nevertheless seem both dependent on, and able



to create, lower layers of property. For example: Ideas, feelings, memes...and perhaps karma, spirit and soul.

What is happening here? From one angle, we could say that this is simply a changing scope of property function. But from another, what we are really observing is the complexification and *abstraction* of property itself. This evolution appears to be one of the consequences of advancing human civilization and expanding consciousness, and there is a suggestion that as we have progressed through the industrial and information revolutions, the tendency has been for larger and larger swaths of property to function in the more abstract OSI layers. However, these layers are strictly and hierarchically dependent, for without the *physical layer* there could be no *network layer*, without the *network layer* there could be no *transport layer*, and so on. And dependences travel in the opposite direction as well, for the *application layer* leads to the ongoing creation of the *presentation layer*, and the *presentation layer* leads to the creation of the *session layer*. In many ways, this *abstraction* and complexification of property has made it increasingly challenging to assign property via the classic Roman *ownership* categories. That hasn't discouraged attempts to do so, via our legal system and emerging social mores, but a lot of cultural tension seems to be generated around the speed with which property within more abstract layers is being created and exchanged, regardless of the prevailing political economy.

And finally we require one more axis of the *property matrix*, and that is the *valuation* of property. Exchange value isn't really relevant here, mainly because the different approaches to political economy, and subjectively perceived levels of scarcity or abundance, will determine different exchange calculations. Part of what does matter to us here is use value, as calculated not just in practical utility (such as electricity) but also in the more theoretical sense of cultural capital. We might say that use value in this context is the aggregate of our active desire for something, the objective dependence on something even if it is not desired, and how something is socially esteemed within a given network, all included in a scatter plot across a given collective. However, all of these end up being somewhat interchangeable in terms of use value. For example, every household depends on water, but in one household water is greatly esteemed and conserved because of the cultural capital resulting from "being water conscious." Yet in another home water is highly desired, but not conserved at all, creating a similar use value via an alternate calculation. In still another household, where the family prefers to bathe in milk, drink only champagne and send out all their cloths to the cleaners, water may not be consciously esteemed or desired, but it is still in demand, a necessity one step removed, because the cows, grapes and professional washing machines all use water to produce the desired products and services. There will be countless instances where the perception of use value varies from one culture to the next, or even from one person to the next within a culture, with additional variability over time, so the aggregate of esteemed, desired and dependent utility begins to point us toward what may at least be a way to calculate an intersubjective use value.

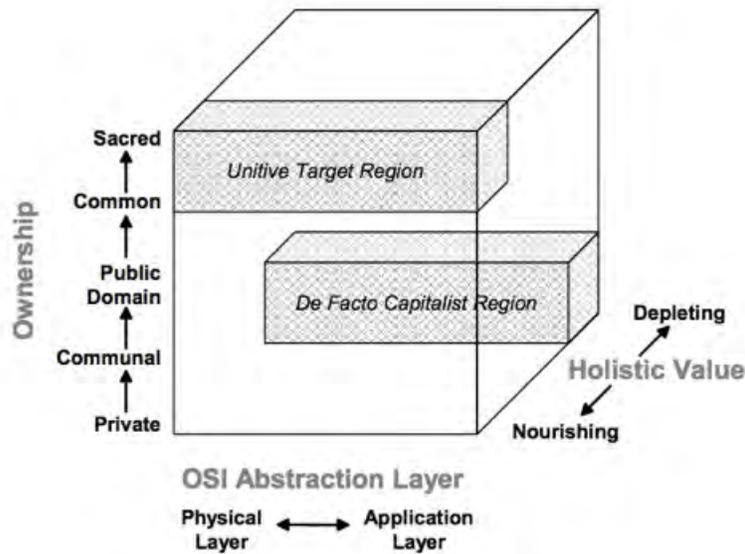
However, this still isn't a sufficiently well-rounded method of valuation. I would like to add one more factor, and that is how skillfully property contributes to effective, balanced nourishment. What I mean by "effective, balanced nourishment" will become clear when we discuss the twelve nourishment centers later on, but what I am really trying to do here is add a vast, usually hidden repository of externalities to the calculation. For example, if water is polluted with toxins and carcinogens, then its use value is greatly reduced. This is not because someone who consumes the water knows anything about these toxins and

carcinogens, it is instead a measurement of the additional costs required to offset these health dangers, either through treating people who get sick, treating the water so it becomes safe, or correcting the industrial practices that led to the pollution in the first place. When we combine such externalities with intersubjective use value calculations, we realize that any property that invites a widespread expectation of safe nourishment (such as water, food, air, etc.) has very high *holistic value*. So we see that quality supersedes quantity in such calculations; it does not matter if water is abundant, if that water is not safely consumable. In this way we redefine scarcity, because within *holistic value*, scarce quantity is equivalent to scarce (or difficult) quality.

Taking these three axes together, we have the vertical axis of *ownership*, the horizontal axis of *abstraction*, and the depth axis of *holistic value*. With these we can plot the position of property in any context in a three-dimensional way. The evaluation of *property position* within this matrix has nifty utility in any discussion where politics, culture and economics intersect, so we'll be relying on it both to elaborate on existing institutions and systems, and to describe potential departures from the status quo. In our case, the notion of "property" will expand even into aspects of the political process itself; in fact we may need to stretch the metaphor to its limits. As for the concept of *personal* property, that will for the most part be excluded from this discussion, though its existence is both assumed and implied throughout as an inherent extension of personal freedom.

When viewing political economies through the *property matrix* lens, what quickly becomes evident is that nearly all of them insist on controlling property through its position in the matrix. For example, even among anarchist ideals that reject authoritarian controls, *property position* is one of the persisting agreements without which anarchism could not function as proposed. How *property position* is enforced may vary among different anarchist proposals, and the institutions of enforcement may be more decentralized, but the fact is that some sort of force must of necessity be used to extend primary assumptions and preferences about property into a functional system, as well as to maintain that system over time. So regardless of what approach we take, and no matter how egalitarian or democratic our economic and political systems are, the mechanism of *property position* enforcement becomes central to its practicality and durability. Even if we advocate that all property should remain *common*, or that we should emphasize and celebrate property with a high *holistic value*, this assignment must persist in collective agreement, or it is just a fairy tale. So, once again, we arrive at that critical distinction between collective responsibility and individual freedom, for there will always be divergent opinions about where property should be located within the *property matrix*, either as the main focus of collective production or consumption, or as a privilege of individual accessibility or ownership.

## Unitive Property Positioning



## Common Property Shares

The concept of common property shares is intended to address the following issues:

- Establish a record keeping and trading unit for common ownership of property at all levels of abstraction (see OSI representation in [L7 Property Position](#) above).
- Help migrate away from fiat money and leveraged debt over time, creating semi-fungible backing for currency.
- Enhance collective consciousness and responsibility for all commonly held resources.

Here is a summary of the basic idea....

Right now when we stand in almost any location - populated or not - and look around, most of what we see are things that other people individually own, or things that corporation own. Cars, buildings, businesses, parks, forests, pastures and so on. But what if, instead, when we looked around at the same things, we felt a sense of communal ownership? And what if we knew - in a calculable, easily estimable and indeed semi-fungible way - the precise portion of that collective ownership that we had? And what if, just as common shares accomplish in business enterprises today, those shares also represented a voting right in how that property is managed, utilized, safeguarded and so forth? That is what common property shares are meant to accomplish.

Of course this relationship with public assets is already somewhat true regarding things like National Parks, the BLM, and Interstate highways, but here the relationship is abstracted by

highly centralized representative democracy, a fairly mysterious and opaque allocation of tax dollars, and a subjective disconnect from complex and often bureaucratic management processes for publicly held resources. With common property shares there is an additional layer of direct control over such such resources - that is, in addition to citizens councils, daily direct democracy, and other Level 7 [democratic reforms](#) outlined here. But how does this work?

It's fairly simple really. There would be a data repository - an accounting and tracking system - of all commonly held assets that acts as the backing for currency. So, when we look around us we will see the actual backing for the currency we use in our economic transactions. If those assets are maintained, the value of our currency is likewise maintained; and if those assets are depleted or destroyed, the value of our currency is reduced. Of course, there would need to be a carefully balanced proportionality between local, national and international currency valuation and local, national and international common ownership systems; we would want to diffuse (or aggregate) the backing variability as much as possible to create stability, while still encouraging localized contributions to the whole. Some universal percentage of the common property shares would therefore be allocated to district, state and national common repositories, as distinct from community allocations. In this way, the backing for currency is as diffused as the issuance of currency.

Now we need to ask: what constitutes an asset? And this is where things get interesting, because, using concepts inherent to holistic valuation in an L7 property position, what a community creates or shepherds as "valuable" can correlate with any of the dimensions of Integral Lifework - at any layer of OSI abstraction. In this way, a community can increase its total common property shares, and the individual holdings of property shares among community members. From community to community the emphasis may vary, but the framework is shared across all communities (which is what makes the assets semi-fungible after all). In many ways, common property shares are a concrete representation of political obligation or collective agreement around civic responsibilities.



## **Article VIII: Regarding Replacing Individualistic Materialism with Collective Egalitarianism in Competitive Markets**

### **Problems To Solve**

- Extraordinary deception and exaggeration in advertising and reliance on “caveat emptor” justifications
- Creating or amplifying consumerist mindset and dependency on external solutions
- Careless and injurious “rush to market” mentality that disregards negative externalities, risks to consumers, etc.
- Increasing isolation and alienation of individuals from their communities
- Predatory or unethical ends-justifies-means anticompetitive business practices
- Abuse of legal system to enhance marketshare (patent trolling, frivolous lawsuits, etc.)
- Monopolization that disrupts healthy innovation and competition
- Conspicuous consumption resulting in excessive waste, unhealthy acquisitiveness and unsustainable resource depletion
- Targeting of vulnerable youth (children, teens and emerging adults) with harmful products, advertising and consumerist conditioning

### **Proposed Solutions**

1. Embed links in all advertising to PIC fact-checking on advertisement’s claims (...and possibly product reviews and comparisons as well?)
2. Disallow any and all advertising that targets vulnerable youth (including product placement or promotion in children’s media)
3. With the exception of new innovations (which have a grace period while other producers catch up), cap marketshare and production capacity on any well-established product or service at 25%. Technologies and approaches that prove to have ubiquitous application and real-world superiority to everything else should be considered for integration into the Universal Social Backbone
4. Inclusion of holistic valuation in product development, licensing and regulation in accordance with the precautionary principle
5. Accountability of local businesses to the communities in which they operate via daily direct democracy, CDCs, citizens councils and community NGOs
6. Reconfiguration of goods and services production according to a Level 7 enterprise schema, and encouraging friendly competition between these enterprises



## **Article IX: Regarding the Restructuring of Banking and Monetary Systems, and Reforming International Trade Relations**

### **Problems To Solve**

The electorate has little influence over banking and monetary systems, or over international trade relations, which has resulted in:

- Regulatory capture of SEC by self-serving corporate interests
- Runaway leveraging and other unbacked credit risk
- Exploitation of developing countries (IMF and World Bank [structural adjustment programs](#))
- Financialization of economy and runaway speculation and derivative instruments
- A fractional reserve system that inherently undermines and destabilizes fiat currency (requires deposit insurance, etc.)

Banking and monetary systems encourage socialization of risk, privatization of profits, and ever-increasing levels of debt

### **Proposed Solutions**

1. Return strategic control of monetary policy, banking practices and international trade practices and agreements to the people - via [direct democracy](#), citizens councils and networks of member-owned credit unions, while allowing tactical administration of the same by [elected technocrats](#)
2. Ultimately the goal would be to close down Wall Street entirely. Short of that, in parallel to transitioning to member or [worker-ownership](#) of all businesses so that they are primary/majority shareholders, scale back (and in some cases eliminate altogether) public stock offerings except in instances of disruptive innovation startups that require startup capital, and restrict all such offerings to minor percentages of shares, held for set periods of time, specifically to discourage speculation
3. End derivative investment instruments and automated trading, then limit both the volume of public shares for a given enterprise that can be traded, and the number of times each share can be traded over a specific interval of time
4. Eliminate trust-debt relationships with respect to currency and decentralize currency issuance via the digital domain. Instead of fiat money, allow distributed creation of representative money backed by [commonly held non-leveraged semi-fungible assets](#)



5. Eliminate systems of credit over time by migrating more and more property away from private ownership to common ownership status, while at the same time promoting community-centric democratic control of all property. For example: if mass transit is sufficiently widespread and reliable to eliminate the need for privately owned vehicles, most housing and agricultural and commercial real estate are made available through [Community Land Trusts](#), and initial investments in new enterprises are in largest part held by member or workers as tradable common property shares, then the necessity of credit would be precipitously reduced
6. Eliminate IMF and World Bank exploitation of developing countries, and instead implement [interdependent micro and macro programs](#) that encourage sustainable self-sufficiency, enhanced democracy, and other Level 7 approaches and institutions among countries who ask for assistance
7. Favor a stable exchange rate and independent monetary policy over free capital flows internationally

### Linking Micro & Macro Development Programs

While it is fairly easy (and common) for positive results of development aid to be measured at the community or organizational level (micro), it is much less common (and much more difficult) to measure the positive impact in terms of GDP, overall wealth production and distribution (per capita income, etc.), or fundamental economic or other improvements to the broader target culture (macro level). The argument generally goes something like this: if there aren't adequate trade, fiscal, monetary and banking stability (and lack of corruption) already in place, then developmental aid is just "pouring more water into a broken cup." Right now it seems as though there is contradictory data about the best approach to development aid - depending on what metrics and analysis methodologies are used - and ongoing doubt about efficacy of existing approaches. Some data analysis shows a consistent positive correlation between aid and growth over an extended period of time, and other approaches to the same data are less confident of any correlation. However, at the micro and meso levels there is a sound consensus about how to measure positive outcomes. Suffice it to say that, although this seems to still be an unresolved question in some circles, the studies that utilize the most variables over the longest periods generally confirm that there may not be a micro-macro paradox at all.

Here's my take on this... Suppose you have to aid programs. One targets providing cell phones to rural entrepreneurs in a specific region (micro), and the other targets developing wireless infrastructure across an entire country (macro). The benefits of the micro program are easy to measure, right? The entrepreneurs either flourish because they now have cell phones, or they don't, and this will become evident in a relatively short time. But how do we measure the constructive benefits of the macro program? It may be several years - perhaps decades - before the national wireless network is fully utilized. Also, there is more opportunity for corruption, cutting corners, lack of performance accountability and other interference for the macro program, so the larger investment may seem riskier and less sound. But what if we then fold the micro program into the macro program, and show that (obviously) the successful micro program won't work in certain areas of the country unless the macro program is funded as well? I think this is the sort of metaphorical linkage



that could help doubters understand why there may sometimes *appear* to be a micro-macro paradox, when actually there isn't. It also may be the key to driving larger investments, using the pilot principle, that deliberately link micro and macro development projects as they facilitate targeted Level 7 outcomes.



## **Article X: Regarding an End to Militarism and WMD**

### **Problems To Solve**

The endangerment of all life on Earth through the constant striving of nation states to gain the upper economic hand using (or threatening to use) militarism or weapons of mass destruction. This is frequently a consequence of:

- A thriving military-industrial-congressional complex
- War-profiteering by those with a [neoliberal agenda](#) who infiltrate government institutions
- Individualistic materialism (i.e. moral immaturity) that justifies individual and collective aggression
- Permeating “culture of violence” within entertainment, communities and institutions

### **Proposed Solutions**

1. Lead by example (attenuate international militarism and WMD development and stockpiles)
2. Link the quality, orientation and extent of trade relations with international peers to their demonstrated societal moral development (inclusive of evidenced militarism and WMD development and stockpiling)
3. Change the Constitution to reflect a [two-stage direct democratic control](#) over military budgeting and major military actions
4. Create alternate, nonviolent, collectively binding mechanisms for conflict resolution, law enforcement, correctional institutions and international disagreements



## **Article XI: Regarding the Equalization of Feminine and Masculine Power, Institutional Bias, and Other Social Justice Considerations**

### **Problems To Solve**

Persistent [disempowerment and denigration of women and feminine power](#), in order to amplify the positional privilege of men and the primacy of masculine power, as evidenced by:

- Male-dominated institutional control of women’s reproductive rights
- Unequal pay between genders for equivalent work
- Low representation of women in institutional leadership
- Sexual harassment, sexual objectification and rape of women
- Denigrating attitudes and language towards women as a cultural norm
- Systemic disrespect for feminine power, and safeguards protecting masculine power

Institutional amplification of racial, gender and economic inequality:

- Institutionalized racism, sexism and classism (examples: [housing policies](#) that negatively impact low-income, minority and inner city populations; ethnic marketing of [unhealthy](#) and [addictive](#) consumables; excessive incarceration of minorities and targeting by law enforcement; gender inequality in how child support and custody are awarded, or how rape and domestic violence are perceived and remedied, etc.)

### **Proposed Solutions**

1. Only women can vote on women’s reproductive rights (at any level of government)
2. Institute goal of 50% female representation in institutional leadership – as reward for merit – with aggressive timeline for implementation
3. Investigate efficacy of chemical castration (with variable duration based on offense) as a mandatory component of sentencing for anyone convicted of rape or other sexual offense
4. Equal compensation for all genders and LGBTQ orientations of equal ability - period
5. Promote [interculturalism](#) in features of the Universal Social Backbone, direct democracy, citizens councils and public policy - rather than reinforcing cultural divisions and isolation in civic/economic institutions
6. [Community Coregroups](#) to advocate shared values, the [unitive principle](#) and moral maturity



7. Diffuse institutional authority, distributing local decision-making to community-level organizations
8. [Criminal Justice System reform](#), and other changes to the rule of law
9. An equal focus on systemic disadvantages for men that reflect innappropriate bias

## The Rule of Law

### *Proposed Changes to the Criminal Justice System & Rule of Law*

Many of the proposed changes in the rule of law will require [Constitutional Amendments](#) per **Article V of the U.S. Constitution**. Others could be enacted via legislation at local, state and federal levels. Here is a rundown of some of the major changes to be considered:

- Instead of incarceration and rehabilitation - which will be reserved for the most severe offenses - the main mode of accountability for criminal behavior (especially for “victimless crimes”) will be reducing access to higher-quality levels of the Universal Social Backbone, and increasing requirements for civil service. In addition, the local community - and especially those victimized by a given crime - would be actively involved in reconciliation with offenders. For more on this conception of justice, see [restorative justice](#).
- A mandate that incarceration for the more serious offenses is intended and structured for rehabilitation, moral maturation, and productive re-entry into civil society of offenders - via training and education (including intensive integral practice), various modes of talk therapy and medical treatment, and ongoing civic volunteerism. Incarceration would be viewed not as punitive, but as a way to protect and strengthen civil society.
- The “second chance” lottery: any first offender committing a property crime, or other crime without clear intent to cause serious bodily or existential harm to other people (i.e. a “victimless crime”), would be entered into an ongoing monthly district lottery that vacates their sentence (but maintains their criminal record). In other words, one convicted criminal would be released from incarceration each month in each district under this lottery (the lottery would not apply to convictions not resulting in incarceration).
- Community-level democracy would be implemented with respect to all levels of law enforcement and all law enforcement officers. Law enforcement at every level (local, regional, federal, prison guards, etc.) will be held accountable to local communities via two-stage Daily Direct Democracy. Any law officer at any level can be censured for cause by a community, so that they are restricted from entering that community or be actively involved with that community while performing their professional duties for a set period of time. If the officer transfers to another community after censure, and is consequently censured by a total of three different communities



during their career, they will be barred from all law enforcement positions. Likewise, prisoners may vote to censure prison staff for cause - though here such cause may need to be more narrowly defined. The objective in both cases is to empower communities to manage policing behaviors that abuse authority.

- Regarding capital punishment and life imprisonment, it seems like these should be eliminated altogether. Instead, it would seem prudent to investigate the linkages between testosterone and criminal aggression, to see if chemical castration (along with psychotherapy and other medical treatment) is a viable option for long-term behavioral modification.
- Elimination of corporate personhood and free speech rights, and establishment of alternative legal entity designation for businesses and organizations.
- Only women can vote on reproductive rights issues that impact the personal sovereignty of their gender.
- A Fourth Estate established as a formal, independently elected and funded watchdog branch of government.
- Elimination of the electoral college and establishment of two-stage voting, Citizens Councils, Daily Direct Democracy and other democratic reforms that offer the will of the people an advising, oversight and recall capacity in parallel with elected representatives.
- New laws enabling institutional monetary, financial and trade reforms at the national level.



## ***Article XII: Regarding the Normalization of Public Mental, Emotional and Spiritual Health as Integral to Holistic Health***

### **Problems To Solve**

Accelerating increases in mental, emotional, spiritual and physical maladies caused by stresses, pollutants, diets and habits of modern capitalist society.

- Expression of latent genetic dysfunction via stress-induced phenotypes, with phenotypical iteration and expansion in subsequent generations
- Epidemic increases in Type II Diabetes
- Disregard for, and stigmatization of, mental illness
- Commercial amplification of self-destructive habits and dependencies
- Fee-for-service healthcare and private insurance model inflate costs and induce perverse incentives

### **Proposed Solutions**

1. Institute prophylactic mental, emotional and spiritual well-being (i.e. development of healthful, self-nurturing habits) similarly to the way preventative physical self-care is already promoted
2. Encourage self-sufficiency in all dimensions of self-care instead of externalized dependencies
3. Integrate all healing disciplines (consider [Integral Lifework](#) triage model)
4. End fee-for-service model of healthcare, folding all health services into the [Universal Social Backbone](#) and focusing on holistic/multidimensional health outcomes



## Action Guide

Achieving Level 7 objectives (or any other flavor of significant transformation) will require several independent efforts, all occurring at once and for a sustained period of time – probably several years. I do not think they will require central coordination, but the intensity of engagement likely needs to be of a similar amplitude across the spectrum. Multi-pronged change mechanisms for each objective might include:

### Top-Down Systemic Change

Revisions to processes and institutions at the national and international level that support Level 7 proposals.

*Examples:*

- State and federal constitutional amendments to repeal corporate personhood, institute direct democracy in parallel with representative democracy, initiate banking and monetary reform (also in parallel with current systems), establish equality of feminine power, restore journalistic integrity, etc.
- State and local initiatives that create nested citizens councils with oversight of government and enterprise, institute [algorhythmic redistricting](#), begin establishing a [Universal Social Backbone](#), etc.
- Legislate incentives for transitioning enterprises from shareholder ownership to [worker ownership](#)
- Legislation that embodies other Level 7 principles and proposals (practicing the precautionary principle, distributed green energy production, public priorities database, [sustainable design](#), etc.)

### Grass-Roots Populism

Engagement and education of the public to promote revolutionary change via mass movements.

*Examples:*

- Create independent Open Source, crowd-populated [“Public Information Clearinghouse”](#) as proposed
- Promote activism, education and Level 7 ideas via social media
- Organize for popular support of top-down constitutional amendments and initiatives
- Create multimedia representations of Level 7 proposals for mass distribution
- Organize protests other nonviolent group action to promote Level 7 transformations



- Develop K-12 multimedia outreach to educate about Level 7 and personal integral practice

### **Disrupting the Status Quo**

Deliberate sabotage of highly destructive but persistent social, economic and political mechanisms that obstruct progress toward Level 7.

*Examples:*

- Hacktivism of most nefarious actors (i.e. who promote a neoliberal, pro-corporate, deceptive, destructive or self-serving commercialist agenda)
- Work with unions to migrate businesses toward worker-ownership
- Disrupt commerce (retail boycotts, production and distribution interruptions, etc.) involving products or services with “perverse utility” or antagonistic holistic value
- [Disrupt pro-capitalist misinformation and PR campaigns](#)

### **Exposing Misinformation & Pro-Corporatocracy PR Campaigns**

Identify, call out and counter the constant stream of misinformation that perpetuates irrational faith in crony capitalism and corporatocracy:

*Examples:*

- Flag fake news memes on social media
- Provide community with correct facts
- Answer questions and concerns of folks who have been misinformed

### **Recruiting Elite Change Agents**

*Examples:*

- Find members of the wealthy elite who are willing to endorse Level 7 proposals and can [help actualize solutions](#)
- Promote narratives that frame worker ownership, direct democratization of institutions and enterprises, and diffusion of wealth and political power as the extraordinary philanthropic aims that they are
- Persuade existing power brokers to relinquish counterproductive agendas and influence



## Community-Centric Pilot Projects

Developing exemplary institutions, civic engagement and activism at the community level.

*Examples:*

- [Develop NGOs](#) that promote and actualize Level 7 proposals at the community level
- Establish Community Land Trusts with common property shares
- Develop community green energy production and distribution facilities
- Initiate and maintain [sustainable design](#) projects individually and communally
- Advocate credit union banking - especially those institutions that identify as smaller community banks
- Create citizens councils that actively advise existing institutions (until initiatives can formally authorize their roles and responsibilities)
- Advocate Level 7 guiding design principles in existing community institutions
- Establish new goods and services enterprises that emulate the Level 7 enterprise schema

## Individual Development & Supportive Networking

Personal and collective education, multi-dimensional nurturing & moral development to facilitate the unitive principle.

*Examples:*

- Establish [Community Coregroups](#) around the country to mutually educate and participate in Level 7
- Create action-lists of personal choices that energize Level 7 transitions to share with others
- Contribute to Public Information Clearinghouse database
- Advocate Level 7 guiding principles in local community, in the workplace, etc.

Note regarding individual development and supportive networking: In the context of Integral Lifework, it is critical to appreciate that multidimensional nurturing and development is a prerequisite and parallel practice to [revolutionary integrity](#) and activism. To understand this relationship, consider reading [A Mystic's Call to Action](#).



## Socially Engaged Art

Artists engaging the community in participatory art projects that increase social consciousness around Level 7 concerns.

*Examples:*

- Community sing-along concerts that protest inequality, owner-shareholder exploitation, destruction of the environment, etc. and express demand for greater democracy throughout all private and public institutions.
- Public interactive art installations that educate about direct democracy, worker-ownership, the precautionary principle, etc.
- Plays - preformed in openly accessible community spaces, and with audience participation - that model new forms of civic engagement (citizens councils, daily direct democracy, recall elections, the social credits system, etc.)

Although there are other examples of action items peppered throughout the [Level 7 website](#), individual and collective action is probably the most critical opportunity for participatory mechanisms. At some point, the web should be used to consolidate input and planning; for example, creating a portal to searchable databases for all ongoing Level 7 efforts and avenues of involvement.

## How Change Occurs

There is a potent mythology circulating within our modern Zeitgeist that revolutionary transitions must be chaotic, disruptive and destructive; a phoenix rising from the ashes of disruptive crisis. I think this is a mistaken assumption. In my own efforts to envision and reify positive change on many different levels, I have sought to explore and embody transformative practices and ideals that are fundamentally constructive, additive and synergistic – a multidialectical synthesis rather than an inherently dominating or combative process. Which is why I call it compassionate transformation. It involves these primary components, the details of which are discussed in more detail throughout my writings on [Integral Lifework](#):

- An acknowledgement of personal responsibility, consciousness and planning to bring about constructive change; a commitment to personal agency must supersede reliance on institutional agency or externalized dependence – which ultimately lead to disconnection, apathy and self-disempowerment.
- The persistent guiding intentionality to work toward outcomes that provide the greatest good, for the greatest number of people, for the greatest duration – doing so skillfully, in ways that acknowledge and support both obvious and obscured interdependence.
- A focus on nourishing, nurturing and strengthening all dimensions of being in ourselves and others, with the primary aim of exercising compassionate affection, but also to encourage moral maturity and higher altitudes of individual and collective moral function. Our core strengths, resilience and creativity will issue from these mutually supportive



relationships.

- A profound investment in understanding, respecting, including, honoring and celebrating diverse experiences, perspectives, cultural traditions and levels of understanding in all participatory mechanisms, while at the same time integrating them (in the sense of [interculturalism](#)), rather than encouraging isolation or separateness. Here we appreciate our togetherness, necessary interdependence, and uniqueness all-at-once.
- Patience and acceptance with the process of healing, educating and transforming self, family, community and civil society. This will be a difficult challenge. There will be setbacks. All of us are likely to stumble through confusion, loss, distractions and emotional turmoil; there will be internal chaos in the midst of liberation. And the only meaningful answer to this pain is self-directed compassion - *a stubbornly enduring love-consciousness*.

For a more thorough discussion of this topic, please read my article on [Revolutionary Integrity](#).

## A Sense of Urgency

Regarding many of the [destructive consequences of capitalism](#), the data is already in. Climate change influenced by human industry is real and will have devastating consequences within our lifetime. Species extinction as a result of pollution, hunting and commercial habitat destruction is accelerating, and we will likely see some 60% of the genetic diversity of Earth vanish within then next few decades. Apart from the increases in mental illness and lifestyle-induced diseases like Type II diabetes, there is strong evidence that stress-induced phenotypes that negatively impact our mental and physical health can be passed on to subsequent generations. The ongoing and highly volatile boom-bust cycles of growth-dependent capitalism are well-documented and have increasing global impact. And of course the exploitation of labor - in the form of sweat shops, child labor and prison labor in the developing world, as wage and debt slavery in the U.S., and as human trafficking almost everywhere - is ceaselessly creative in its manifestations. And, sadly, all of these downward spirals have been predicted for a very long time - they have just been scoffed at and ridiculed by plutocrats who fear their cookie jar would be taken away.

In fact, we can reliably say that whenever pro-capitalist conservatives become agitated enough to initiate propaganda campaigns against scientific assertions or common-sense solutions, we can be fairly confident the underlying problems they are denying are real, and need to be addressed. Conservative pushback is the real canary in the coal mine here. This was intimated by the “Red Scares” after WWI and WWII, by doom and gloom predictions about everything from women’s suffrage to child labor laws to consumer and worker protections to the minimum wage, and of course by the “global warming hoax” of the last decade. There is an excellent example the mindset behind these objections in a memo written by Lewis F. Powell, Jr. in 1971 regarding the [“Attack of American Free Enterprise System,”](#) which is clearly energized by the mistaken belief that capitalism equates freedom. It was this memo that purportedly led to the creation of many now longstanding engines of propaganda against anything that threatens profitable destruction or corporate power (Heritage Foundation, Cato Institute, etc.). In this sense, the election of Donald Trump to be POTUS is a clarion call for assertive Level 7 action, and is potentially one of the final nails in the Earth’s economic, environmental, cultural and political coffin.



### *Moral Function, Political Economy & Self-Identification (November 2014)*

The following chart is a consolidation of developmental themes recurring throughout my writings on Integral Lifework. Some of the definitions and terms have been updated to reflect an evolving understanding and should replace previous iterations. Although important elements of the idea have been identified as part of a progression inherent to mystical gnosis (see [The Vital Mystic](#) and [Essential Mysticism](#)), “Unknowing Emptiness” is formally identified as a strata of moral valuation here for the first time; importantly, in more brief and diluted forms it is also a transitional component between the other strata. Within the chart are terms and concepts that are more thoroughly defined and attributed in the course of the works referenced in each column heading. Some of the principles of development covered in those works include:

- For development to occur, all dimensions of being as they are defined in Integral Lifework (see the [Integral Lifework Nourishment Assessment](#) for a summary, or [True Love, Integral Lifework Theory & Practice](#) for an in-depth description) must be consciously nurtured, harmonized and progressively integrated. This nourishment creates the supportive structures – both individually and collectively – that stimulate and support a moral maturation process.
- It is not possible to fully and consistently operationalize next-level moral valuations without first experiencing the intentions, habits and consequences of previous orientations.
- Development is not uniform, orderly or irreversible. Instead, each dimension of being may advance independently of the others, so that imbalances in nourishment tend to be reflected in lopsided maturation. Consequently, the resulting evolution is more like a dynamic dance than a linear progression.
- Compassionate integration of earlier values orientations does not preclude abandonment of certain elements of those previous orientations; in other words, as moral function evolves, some attitudes and priorities may become vestigial, subordinated or sloughed off entirely. It is important to differentiate this process from repression; instead, this is more of a de-energizing of unskillful or antagonistic concepts, relationships and patterns.
- The maturation of our values system – and inhabiting the moral strata as they are defined here – has consequences for both our [Functional Intelligence](#), our ability to [manage complexity](#), and our capacity for sustaining advanced civic ideologies and systems.

<b>Self-Identification</b> <i>(Memory : Self, 2010)</i>	<b>Strata of Moral Valuation</b> <i>(True Love, Integral Lifework Theory &amp; Practice, 2009)</i>	<b>Level of Political Economy</b> <i>(Political Economy and the Unitive Principle, 2013)</i>
<b>Unitive Infinite</b> Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all - so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree - but nevertheless carefully balanced - flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>	<p style="text-align: center;"><b>Level 10</b></p> <p>In Applied Nonduality, the concept of property and its categorizations, valuations and layers of abstraction evaporates entirely, and regression to into previous modes of exchange and valuation is inconceivable. The unending flow of an actualized, overarching purpose is all that remains here, as guided and energized by an all-inclusive love-consciousness.</p>
<b>Formless Infinite</b> Self Equates Non-Being, Non-Identification, “No Self”	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>	<p style="text-align: center;"><b>Level 9.5</b></p> <p>As it manifests in a political economy, Unknowing Emptiness represents a period of turmoil and self-doubt, and has usually been a necessary component of transition from each Level to the next throughout development. Here, however, the unmaking of previous conceptions and orientations is more complete; a more vigorous annihilation of all that came before and all that as anticipated. Representations and abstractions of property may still be <i>sacred</i> (or valued), but constructs like <i>ownership</i> increasingly become erroneous to the core experience of unitive interdependency, and thus disconnected from exchanges and relations; the footing for values hierarchies evaporates. As may have been the case in previous Levels of political economy, we can experience the momentum of earlier structures, systems, valuations and purpose carrying us forward as operative habits, but we come to recognize that these, too, are nothing more than tenuous, conditional constructs. So this is the moment in the trapeze act when we collectively let go of the rope that has swung us here, without knowing for certain if there is another rope to grab on the other side.</p>

<p><b>Shared Spirit</b> Identification with All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates "the good of All" (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion - a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>	<p style="text-align: center;"><b>Level 9</b></p> <p>Spiritual Universality begins to revise the <i>common</i> property designation still further. The desire to elevate intersubjectivity relaxes until a more unitive perspective permeates all valuations. Now there is a shared intuition that everything that once resided in other <i>ownership</i> categories is actually <i>sacred</i>. In fact, those previous categorizations are mainly perceived as destructive and unhealthy, and so any lingering subordinate relationships with property dissolve. However, because this stratum is so fluid - and because it can still be interrupted by regression - subordinate relationships may appear and disappear as required in continuously revising contexts. Despite these difficult but sometimes necessary hiccups, the primary flow of Level 9 is that the entirety of existence has intrinsic value, and so all human activity must engage that existence with unconditional compassion. There is also a strong intuition of a shared, unifying purpose, and an increasing desire to acquiesce into that purpose. At this stage, <i>holistic value</i> becomes equivalent to the <i>sacred</i>, intrinsic value that is collectively held.</p>
<p><b>All-Being</b> Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>	<p style="text-align: center;"><b>Level 8</b></p> <p>In Transpersonal Holism, the process of commonization is now complete. There may still be pockets within the commonized architecture that hold on to previous property categorizations, but they become exceptions that are functionally and systemically isolated within the accepted status quo. Because of the intersubjective validation promoted in this stratum, systems and institutions are resilient enough to tolerate a broad diversity of moral function while still advancing a higher order moral orientation, thus the tumult we saw in a World-Centric stratum subsides. Through this stabilization, many forms of what in previous strata were considered to be <i>potential</i> property can now effortlessly be designated as <i>sacred</i>, purely to honor and celebrate their intrinsic value. In this level, the concepts of exclusion or exclusivity are so rare that even the designation of <i>personal</i> property becomes unnecessary. Thus even the concept of <i>holistic value</i> itself no longer provides significant differentiation from internalized values hierarchies or collective relationships with property. All the multiplicities of nourishment have now been integrated into a single thought field - an integral noosphere - so that <i>holistic value</i> becomes a collective experience and intuitive understanding that validates itself.</p>

<p><b>Earth Life</b>  Identification with Every Living System on Earth – All Their Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;">↑  <b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>	<p style="text-align: center;"><b>Level 7</b></p> <p>In the World-Centric moral valuation stratum, all previous property categorizations dissolve into a dominant <i>common</i> property paradigm. Because of a now firmly established interdependent systems orientation, any designations of <i>private</i>, <i>potential</i> and <i>communal</i> property become increasingly non-existent. Even <i>public domain</i> property becomes a temporary holding space for transition to <i>common</i> property assignment. We also see an enlarging scope of <i>wild things</i> set aside as perpetually <i>sacred</i>, not as an investment for future utility, but because <i>wild things</i> are esteemed in and of themselves (i.e. have intrinsic value independent of human valuation). Once the commonization of property is pervasive, there is no longer an elite class to disrupt or exclude others from sharing equally in property benefits. And because there is so little <i>private</i> property, a conventional exchange economy no longer exists in the mainstream. However, until commonization is complete, other property categorizations and their resultant economies and classes can persist, creating an organic, hybrid environment that is understandably tumultuous and unstable, but nevertheless reaches onward towards Level 8. At this stage, a subtle, multidimensional and highly sophisticated <i>holistic valuation</i> is replacing <i>exchange value</i> in human relationships with property across all OSI <i>abstraction layers</i>.</p>
<p><b>Human Society</b>  Identification with All People Everywhere</p>	<p style="text-align: center;">↑  <b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>	<p style="text-align: center;"><b>Level 6</b></p> <p>Arriving at the stratum of Principled Rationalism, the property organization of previous Tribal, Individual and Communal moral orientation is more vigorously challenged. <i>Public domain</i> property now becomes the ideal categorization, with <i>private</i> and <i>communal</i> assignments subordinated to that objective. For the first time, setting aside <i>wild things</i> as <i>sacred</i> may be considered, but mainly as an investment for future resource depletion or other <i>public domain</i> need; so, provisionally <i>sacred</i> until a scarcity crisis assigns it to <i>potential</i>. The desire to maintain an egalitarian <i>public domain</i> property categorization can, however, lead to behaviors that echo previous moral orientations; for example, a de facto elitist privatization of property "held in public trust" but controlled mainly by the most influential class, for the benefit of that class. <i>Holistic value</i> calculations now have a much more diverse and inclusive basis, as collective understanding of what constitutes nourishment and the interdependence of all nourishment dimensions becomes more sophisticated. <i>Exchange value</i> is increasingly aligned with this more complex <i>holistic value</i> across most OSI <i>abstraction layers</i>.</p>

<p><b>Affinitive Community</b> Identification with All People Who Share the Same Values or Experience</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>	<p style="text-align: center;"><b>Level 5</b></p> <p>As Individualistic imperatives wane, a more Communal flavor of property assignment takes hold. Initially, there will be a desire to maintain <i>private</i> property for personal gain, but eventually that privatization is understood to be collectively shared by an exclusive group, and collective advantage begins to outweigh personal advantage. Tentative <i>public domain</i> property is still assigned because of its exchange facility within the community and with other communities, but it retains its <i>potential</i> to become <i>communal</i> property, especially if other, highly valued resources become depleted. In these strata anything not perceived as having such <i>potential</i> may be relegated to <i>common</i> or <i>sacred</i> property, once again increasing prestige for the community, but this orientation is eventually held with less exclusivity, and a more generous attitude of access and benefit to other communities. A fuller understanding of interdependent nourishment processes leads to a broader, more inclusive calculation of <i>holistic value</i>. Positive and negative externalities now gain importance in that calculation as well, especially when they impact social capital within and between communities. Thus <i>holistic value</i> begins to influence <i>exchange value</i> to a greater degree.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; non-conformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>	<p style="text-align: center;"><b>Level 4</b></p> <p>In Individualistic moral orientations, <i>communal</i> property becomes increasingly employed for the collective benefit of affinitive or opportunistic associations, and we might even see the first glimpses of <i>public domain</i> allocation beyond the facilitation of secure exchange, if only to be perceived as concerned about the collective good. However, even such <i>public domain</i> assignments will be tentative; in reality everything in the <i>public domain</i> is still <i>potential</i> property, only temporarily or conditionally set aside. So <i>private</i> property still maintains its principal importance in these strata, if sometimes dressed up for the constructive illusion of collective advantage. Assignments of <i>sacred</i> property are also tolerated for the same reason, but <i>wild things</i> are still viewed as <i>common</i> or <i>potential</i> property. <i>Holistic value</i> can now be calculated more flexibly, with a perceived advantage-of-the-moment in mind, along with all previous input streams. Nourishment differentiation is</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	

<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	<p>more defined, but its interdependence is not yet appreciated, and so negative externalities are generally dismissed. Thus <i>holistic valuation</i> still has little correlation with <i>exchange value</i>.</p>
<p><b>Secure Tribal Position</b> Identification with "My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with - and subjugation of - other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>	<p style="text-align: center;"><b>Level 3</b></p> <p>As moral function evolves through Tribal strata, a more <i>communal</i> categorization may take hold for a few shared resources, but the emphasis will still remain on extensive privatization and various hierarchies of <i>private</i> property. Even from a Tribal perspective, "communal" may just represent a form of elitist privatization for the most influential class, and so here, too, anything not yet privatized will be viewed as <i>potential</i> in nature, including <i>wild things</i>. <i>Public domain</i> property is only grudgingly tolerated in order to facilitate and secure an exchange economy for <i>private</i> property. <i>Sacred</i> property may be defined in these strata, but only for the prestige or perceived advantage of the tribe in competition with other tribes. Now externals begin influencing <i>holistic value</i> formation, as the tribe's priorities usurp personal gratification. However, <i>holistic valuation</i> remains fairly abstracted from <i>exchange values</i>.</p>
<p><b>Insecure Tribal Position</b> Identification with "The People I Want to be My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is "right" or "wrong" is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small - a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>	
<p><b>Ego Identity</b> Identification with Ego</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>	<p style="text-align: center;"><b>Level 2</b></p> <p>In the Egoic valuation strata, an I/Me/Mine moral orientation organizes property into the most <i>private</i>, personally consolidated state possible. Anything that hasn't yet been acquired is viewed as <i>potential</i> property, and nothing is <i>sacred</i>. Likewise, <i>holistic value</i> is generated through I/Me/Mine calculations, and there is only a vague sense of nourishment differentiation, usually derived from the current and most compelling appetite.</p>

<p><b>Formative Identity</b> Developing Ego and Ego-Identity</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one’s own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>	
<p><b>Unformed Identity</b></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>	<p style="text-align: center;"><b>Level 1</b></p> <p>In Egoless Raw Need, property <i>ownership</i> categorization hasn't yet occurred. In a strange sense, all property is probably viewed as <i>common</i> and boundryless; it is a limitless resource existing only to service to fundamental appetites and willful imperatives. There is not yet a care for, or conception of, <i>ownership</i> assignment or exclusion. In the same way, <i>holistic value</i> is monodimensional: there is only the primary and singular raw need that subjugates all nourishment differentiation.</p>

Elements of these progressions have been theorized and speculated about by a number of thinkers – Aristotle, Paul of Tarsus, Marcus Aurelius, Plotinus, Thomas Aquinas, Rumi, Hefez, Teresa of Avila, Spinoza, Leibniz, Hume, Rousseau, Smith, Kant, Hegel, Mill, Freud, James, Tielhard de Chardin, Jung, Piaget, Underhill, Aurobindo, Merton, Lewis, Maslow, Krishnamurti, Freire, Gebser, Loevinger, Graves, Murdoch, Fowler, Kohlberg and Wilber...to name just a fraction. And although many of these ideas can be experientially confirmed as legitimate placeholders for an emergent psycho-social-spiritual process, it is extremely difficult to empirically validate them. So for now this is just a theory, and one that relies in equal parts on *gnosis*, felt sense, intellectual intuitions, rational dialectics and creative extrapolations; exclude any of these contributing streams from the field of synthesis and the theory will lose cohesion. I also suspect there are additional gradations to be defined. My hope is that the application of Integral Lifework’s nourishment paradigm in various contexts, and by large groups of people who have committed themselves to the greater good, will produce a large enough body of evidence to either refute, revise or expand these developmental correlations.

For additional information about the larger body of my work, please visit [www.tcollinslogan.com](http://www.tcollinslogan.com). For more information about Integral Lifework, please visit [www.integrallifework.com](http://www.integrallifework.com).

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# THE DEMOCRATIC FIRM

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The original book is long out-of-print. This is a revised version that was published in Chinese as: *The Democratic Corporation* 1997, Xinhua Publishing House, Beijing.

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# *Introduction*

## **Capitalism, Socialism, and Economic Democracy**

The socialism of state ownership—state socialism—is no longer considered a worthy goal in almost all the countries that used to be "socialist". Central planning has been abandoned in favor of the market. There are many types of market economy. The Anglo-American type of a capitalist market economy is one widely studied and highly acclaimed model. There are, however, alternative forms for a market economy. For example, the Japanese economy is today more and more recognized as representing an alternative to the Anglo-American model (rather than just an "imperfect" imitation of the Anglo-American model). China is currently evolving towards a model referred to as a "socialist market economy."

This book argues that the Anglo-American model of a capitalist economy is not an ideal type. Indeed, the book argues that Anglo-American capitalism (hereafter referred to simply as "capitalism") suffers from a deep-lying inconsistency wherein it violates the basic principles of democracy and private property—principles often but mistakenly thought to be fundamental to capitalism. There is an alternative form of a market economy based on democracy and justice in private property. This book is about that alternative form of a market economy.

A *democratic firm* (also “democratic worker-owned firm” or “labor-based democratic firm”) is a company “owned” and controlled by all the people working in it—just as a democratic government at the city, state, or national level is controlled by all of its citizens. In each case, those who manage or govern are ultimately responsible not to some absentee or outside parties but to the people being managed or governed. Those who are governed vote to directly or indirectly elect those who govern.

A market economy where the predominant number of firms are democratic firms is called an *economic democracy* (see Dahl, 1985; Lutz and Lux, 1988; Ellerman, 1992).

This book is about the ideas, structures, and principles involved in the democratic firm and in economic democracy. The book develops new concepts or, rather, applies old concepts to new situations—such as the “very idea” of applying democratic principles to the workplace. The material is not technically demanding in terms of economic theory but it may occasionally be conceptually demanding.

Old words may be used in new ways. For instance, “capitalism” is often taken as referring to a private property market economy—but an “economic democracy,” where most firms are

democratic firms, is also a private property market economy. The distinguishing feature of a capitalist economy *vis-à-vis* an economic democracy is the *employer–employee relation*—the legal relation for the voluntary renting or hiring of human beings.

The commodity that is traded in the labor market is labor services, or hours of labor. The corresponding price is the wage per hour. We can think of the wage per hour as the price at which the firm rents the services of a worker, or the rental rate for labor. We do not have asset prices in the labor market because workers cannot be bought or sold in modern societies; they can only be rented. (In a society with slavery, the asset price would be the price of a slave.) [Fischer, et. al. 1988, p. 323]

In a democratic firm, work in the firm qualifies one for membership in the firm. The employment relation is replaced by the membership relation.

In ordinary language, “capitalism” is not a precisely defined technical term; it is a molecular cluster concept which ties together such institutions and activities as private property, free markets, and entrepreneurship as well as the employer–employee relationship. There has also been a rather far-fetched attempt to correlate “capitalism” with “democracy.” But this does not result from any serious intellectual argument that the employer–employee relation (which used to be called the “master–servant relation”) embodies democracy in the workplace.

Our normative critique is not of “capitalism” *per se* but of the employment relation or contract, so it must be sharply distinguished from a critique of private property (quite the opposite in fact), entrepreneurship, or free markets. In an economic democracy, there would be private property, free markets, and entrepreneurship—but “employment” would be replaced by democratic membership in the firm where one works.

The more subtle point is that the abolition of the employment relation does, nevertheless, make a change in property, markets, and entrepreneurship. This point can be illustrated by considering the related abolition of the master–*slave* relationship as an involuntary *or voluntary* relation. In a slavery system, “private property” included property in human beings and property in slave plantations. “Markets” included slave markets and it even included voluntary self-sale contracts. “Entrepreneurship” meant developing more and better slave plantations. Thus slavery could not be abolished while private property, free markets, and entrepreneurship remained unchanged. The abolition of slavery did not abolish these other institutions but it did change their scope and nature.

In the same fashion, we will see that the abolition of the employment relation in favor of people being universally the owners/members of the companies where they work would not abolish private property, free markets, or entrepreneurship—but it would change the scope and nature of these institutions.

This leaves us with a linguistic problem. How do we refer to the economic system we are recommending to be changed in the direction of economic democracy? The word “capitalism” evokes private property, free markets, and entrepreneurship which are not being criticized here. Yet there is no other widely accepted word that focuses attention specifically on the employment relation. Expressions such as “wage slavery” or “wagery” are too rhetorical. “Wage system” is currently used to refer to fixed wages as opposed to so-called “profit-sharing.” But “profit-sharing” is only a variable wage rate geared to a measure of performance, and it, like a piece-rate, is well within the confines of the employer–employee relationship.

We will therefore use bland expressions such as “employment system” or “employer-employee system”—when we are being careful—to refer to the system where work is legally organized on the basis of the employer-employee relation (with a private or public employer). Since the employment relation is so widespread (e.g., part of both capitalism and socialism), “employment” has also become synonymous with “having a job.” We assume the reader understands that when we argue against the employment relation (in favor of universal membership in the firm) we are not arguing that everyone should be “unemployed”!

Linguistic habits die hard—for the author as well. When the word “capitalism” is nonetheless used in this book, it will be used *not* as a cluster concept to include private property, free markets, and entrepreneurship, but as a technical term to refer to an economy where almost all labor is conducted under the employment contract.

### **Outline of the Approach**

This book takes a comprehensive approach to the theory and practice of the democratic firm—from philosophical first principles to legal theory and finally down to some of the details of financial structure. The topics covered include:

- a descriptive analysis of the property rights involved in capitalist production, and a prescriptive application of the *labor theory of property* arguing for a democratic firm, since in such a firm people jointly appropriate the positive and negative fruits of their labor;
- a descriptive analysis of the governance rights involved in a capitalist firm, and a prescriptive application of *democratic theory* arguing for a democratic firm, since in such a firm people realize the right of democratic self-determination in the workplace;

- an extended discussion of the legal structure of the *democratic firm*—particularly of the system of *internal capital accounts* which corrects one of the central flaws in existing worker self-managed firms as in the former Yugoslavia;
- description and analysis of the system of *Mondragon worker cooperatives*;
- description and analysis of the American phenomena of employee stock ownership plans or *ESOPs*;
- a description of a *hybrid democratic firm* that combines some of the best ideas from Mondragon-type worker cooperatives and from the American ESOPs in a simple form that can be transplanted to other countries; and
- an analysis of the foremost example of firms today based on employee sovereignty, namely the large Japanese company.

The overall perspective is that a new type of economic enterprise, the democratic firm, is at last coming into clear focus. It is different from both the traditional capitalist and socialist firms. Indeed, there are forces and principles at work in both systems that are pushing towards convergence on the common ground of economic democracy.

# Chapter 1: *The Labor Theory of Property*

## **Property Rights and the Firm**

This book presents a new analysis of capitalism. The analysis is new to the conventional stylized debate between capitalism and command-socialism. But the ideas are not new. The labor theory of property, democratic theory, and inalienable rights theory are part of the humanist and rationalist tradition of the Enlightenment.

The theory of the democratic worker-owned firm walks on two legs. That is, it rests on two principles.

- (1) The property structure of the democratic firm is based on the principle that people have a natural and inalienable right to the fruits of their labor.
- (2) The governance structure of the democratic firm is based on the principle that people have a natural and inalienable right to democratic self-determination.

This chapter deals with the *labor theory of property* (the fruits-of-their-labor principle) while the next chapter deals with the application of *democratic theory* to the firm.

## **The Fundamental Myth about Private Property**

The understanding of what private property is and what it is not—is clouded in both capitalist and socialist societies by a “Fundamental Myth” accepted by both sides in the capitalism-socialism debate. The myth can be crudely stated as the belief that “being the firm” is a structural part of the bundle of property rights referred to as “ownership of the means of production.” A better statement and understanding of the myth requires some analysis.

Consider any legal party that operates as a capitalist firm, e.g. a conventional company in the United States or the United Kingdom that produces some product. That legal party actually plays two distinct roles:

- the *capital-owner role* of owning the means of production (the capital assets such as the equipment and plant) used in the production process; and
- the *residual claimant role* of bearing the costs of the inputs used-up in the production process (e.g. the material inputs, the labor costs, and the used-up services of the capital assets) and owning the produced outputs. The “residual” that is claimed in the “residual claimant” role is the economic profit, the value of the produced outputs minus the value of the used-up inputs.

The Fundamental Myth can now be stated in more precise terms. It is the myth that the residual claimant’s role is part of the property rights owned in the capital-owner’s role, i.e. part of the “ownership of the means of production.” The great debate over the public or private ownership of the residual claimant’s role is quite beside the point since there is no “ownership” of that role in the first place.

It is simple to show that the two roles of residual claimant and capital-owner can be separated without changing the ownership of the means of production. *Rent out the capital assets*. If the means of production such as the plant and equipment are leased out to another legal party, then the lessor retains the ownership of the means of production (the capital-owner role) but the lessee renting the assets would then have the residual claimant’s role for the production process using those capital assets. The lessee would then bear the costs of the used-up capital services (which are paid for in the lease payments) and the other inputs costs, and that party would own the produced outputs. Thus the residual claimant’s role is *not* part of the ownership of the means of production. The Fundamental Myth is indeed a myth.

Who is to be the residual claimant? How is the identity of that party legally determined—if not by the ownership of the means of production? The answer is that it is determined by the direction of the contracts. The residual claimant is the hiring party, the legal party who ends up hiring (or already owning) all the necessary inputs for the productive operations. Thus that party bears the costs of the inputs consumed in the business operations, and thus that party has the legal claim on the produced outputs. The residual claimant is therefore a *contractual role*, not an ownership right that is part of the ownership of the means of production.

The ownership of the capital assets is quite relevant to the question of *bargaining power*; it gives the legal party with the capital-owner’s role substantial bargaining power to also acquire the contractual role of residual claimancy. But there is no violation of the “sacred rights” of private property if other market participants change the balance of bargaining power so that the capital assets can only be remuneratively employed by being leased out. Markets are double-edged swords.

Understanding the Fundamental Myth forces a re-appraisal of certain stock phrases such as “ownership of the firm.” That usually refers to the *combination* of the capital-owner’s role and the residual claimant’s role. But residual claimancy isn’t something that is “owned”; it is a contractual role. What actually happens when party A sells the “ownership of the firm” to party B? Party A sells the capital assets owned in the capital-owner’s role to B, and then B tries to take over A’s contractual role as the hiring party by re-negotiating or re-assigning all the input contracts from A to B. Party A cannot “sell” the willingness on the part of the various input suppliers to re-negotiate or renew the contracts. Thus A’s contractual role as the previous residual claimant cannot be “sold” as a piece of property like the capital assets. If B could not successfully take over the contractual role of residual claimancy, then it would be clear that by “buying the firm,” B in fact only bought the capital assets. Thus buying the capital assets is not a sufficient condition to “become the firm” in the sense of becoming the residual claimant.

Buying the capital assets is also not a necessary condition for becoming the firm. A rearrangement of the input contracts could result in a new party becoming the residual claimant of the production process using the capital assets without there being any sale of the capital assets. The prime example is a *contract reversal* between the owners of the capital and the workers. We will later discuss examples where worker-owned firms are established by leasing the capital assets from the legal party that previously operated as the residual claimant in the production process using those assets. For example, this sometimes happens in distressed companies when the capital-owner no longer wants the residual claimant’s role. It also happened in the Former Soviet Union and China when the means of production in certain enterprises were leased to the collectivity of workers.

The “ownership of the means of production” is neither necessary nor sufficient to being the firm in the sense of being the residual claimant in the production process using those means of production. Contrary to the Fundamental Myth, being the firm is not part of the ownership of the means of production.

### **Ownership of a Corporation is not “Ownership of the Firm”**

The logical structure of the above argument is, of course, independent of the legal packaging used by the capital owner, e.g. is independent of whether the capital is owned by a natural person or by a corporation. Thus understanding the Fundamental Myth also allows us to understand what is and what is not a part of the bundle of property rights called “ownership of a corporation.”

Suppose an individual owns a machine, a “widget-maker.” It is easy to see how that ownership is independent of the residual claimant’s role in production using the widget-maker.

The capital owner could hire in workers to operate the widget-maker and to produce widgets—or the widget-maker could be hired out to some other party to produce widgets.

That is a simple argument to understand. But it is amazing how many economists and lawyers suddenly cannot understand the argument when the individual is replaced by a corporation. Indeed, suppose the same individual incorporates a company and issues all the stock to himself in return for the widget-maker. Now instead of directly owning the widget-maker, he is the sole owner of a corporation that owns the widget-maker. Clearly this legal repackaging changes nothing in the argument about separating capital ownership and residual claimancy. The corporation has the capital-owner's role and—depending on the direction of the hiring contracts—may or may not have the residual claimant's role in the production process using the widget-maker. The corporation (instead of the individual) could hire in workers to use the widget-maker to manufacture widgets, or the corporation could lease out the widget-maker to some other party.

The legal ownership of the corporation only guarantees the capital-owner's role. The residual claimant's role could change hands through contract rearrangements or reversals without the ownership of the corporation changing hands. Therefore the ownership of the corporation is not the “ownership of the firm” where the latter means the residual claimant's role in the production process using the corporation's capital assets (e.g. the widget-maker). The idea that the repackaging of the machine-owner's role as corporate ownership is a transubstantiation of capital ownership into “ownership” of the residual claimant's role is only another version of the Fundamental Myth.

### **The Appropriation of Property**

Property rights are born, transferred, used, and will eventually die. In *production*, old property rights die and new property rights are born; in *exchange*, property rights are transferred. In production, the new property rights to the outputs are born or initiated. The acquisition of the initial or first-time property right to an asset is called the “appropriation” of the asset. Property rights die (i.e. are terminated) when the property is consumed or otherwise used up. In production, it is the property rights to the inputs (materials and services of capital and labor) that are terminated. When a property right is terminated that is a negative form of appropriation; it can be termed the appropriation *of the liability* for the used-up property.

In production, there is the appropriation of the assets produced as outputs and the appropriation of the liabilities for the used-up inputs. Some symbolism can be used to capture the idea. Consider a simple description of a production process where the people working in the enterprise perform the labor services  $L$  that use up the inputs  $K$  to produce the outputs  $Q$ . Thus

the produced outputs are  $Q$  and liabilities for the inputs could be represented by the negative quantities  $-K$  and  $-L$ . Let us represent these three quantities in a list where the quantities are given in the order:

(outputs, inputs, labor).

Then the list (or “vector”) giving the assets and liabilities appropriated in the production process is given by what will be called the:

$$\textit{whole product} = (Q, -K, -L)$$

(“whole” because it includes the negative as well as the positive results of production).

There is a descriptive and a normative question about property appropriation:

— *Descriptive Question*: In a private property market economy, how is it that one legal party rather than another legally appropriates the whole product of a technically-described production process?

— *Normative Question*: Which legal party ought to legally appropriate the whole product of a technically-described production process?

We have already answered the descriptive question. “Legally appropriating the whole product” is a property-oriented description of the residual claimant’s role: Whole Product Appropriator = Residual Claimant. We saw that residual claimancy was contractually determined by being the hiring party. The hiring party hires or already owns all the inputs services used up in production (i.e.  $K$  and  $L$ ) so that party, as it were, appropriates the liabilities  $-K$  and  $-L$ . Hence that party certainly has the legally defensible claim on the produced outputs (i.e.  $Q$ ). In that manner, the contractually determined hiring party legally appropriates the whole product  $(Q, -K, -L)$  of the production process.

Perhaps the only surprise in the above argument is that the property rights to the whole product (i.e. the property rights behind residual claimancy) are *not* part of the ownership of the means of production, i.e. are not part of the capital-owner’s role. The capital owner may or may not legally appropriate the whole product (i.e. be the residual claimant) depending on the direction of the hiring contracts.

For example, let  $K$  be the services of the widget-maker per time period, let  $L$  be the labor that uses up the services  $K$  to produce the widgets  $Q$ . If the corporation that owns the widget-maker hires in the labor services  $L$ , then it will have the claim on the widgets  $Q$ , so the corporation will appropriate the whole product  $(Q, -K, -L)$ . If the corporation leases out the

widget-maker (i.e. sells the services  $K$ ) to some other party who hires or already owns the labor  $L$ , then that party will be able to claim  $Q$  and thus legally appropriate the same whole product ( $Q, -K, -L$ ). The idea that the appropriation of the whole product is somehow an intrinsic part of the ownership of the widget-maker is only another version of the Fundamental Myth.

### **The Normative Question of Appropriation**

What is the traditional *normative* basis for private property appropriation? The natural basis for private property appropriation is *labor*—people’s natural and inalienable right to the (positive and negative) fruits of their labor (see Ellerman, 1992 for a discussion of John Locke’s theory of property). That is the traditional labor theory of property (see Schlatter, 1951).

We will develop the argument that in any given productive enterprise, the liabilities for the used-up inputs are the negative fruits of the labor of the people working in the enterprise (always including managers). The produced outputs are the positive fruits of their labor. The democratic worker-owned firm is the type of enterprise where the people working in it are the legal members of the firm so they then legally appropriate the positive and negative fruits of their labor. Hence we will argue that the labor theory of property—the natural basis for private property appropriation—implies democratic firms, not traditional capitalist firms.

We previously saw that as a matter of descriptive fact, the appropriation of the was not part of the private ownership of the means of production. We now will argue that as a matter of normative principle, the whole product should be appropriated by the people who produced it, the people working in the enterprise. Thus, it is private property itself—when refounded on its natural basis of labor—that implies democratic worker-ownership.

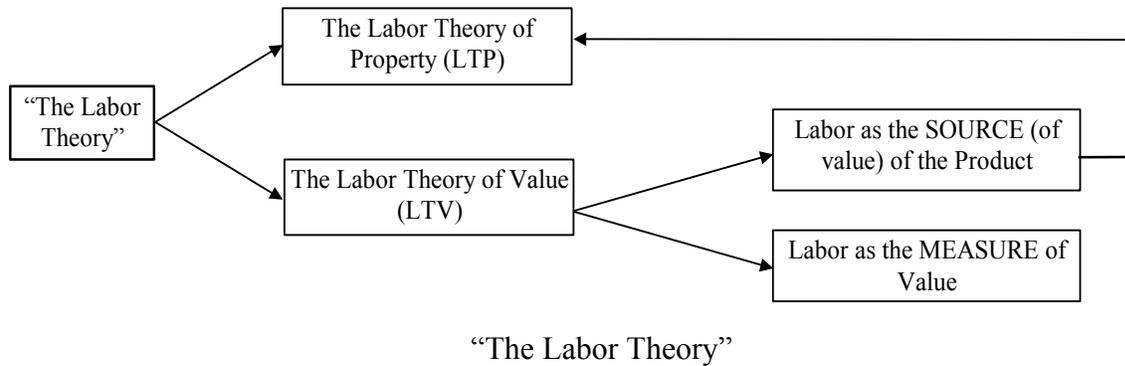
This labor theoretic argument finds a resonance in both capitalist and socialist thought. That dual resonance has always been associated with John Locke’s theory of property. Some interpreted it as the foundation of private property, while others took it as a forerunner to radical theories arguing for some form of “socialism” based on worker self-management. There is merit in both interpretations. We turn now to the labor theory of property as it has been interpreted and misinterpreted in socialist thought.

### **“The Labor Theory” of Value—or of Property**

At least since Marx’s time, any discussion of the labor theory of property in socialist thought has been dominated by Marx’s labor theory of value and exploitation. The labor theory of property simply has not had an independent intellectual life. Yet many of the ideas underlying the support and interpretation of the “labor theory of value” actually are based on the labor theory of property. Hence it is best to speak firstly of “The Labor Theory” (LT) as a primordial theoretical

soup without specifying “of Value” or “of Property.” Then the various overtones and undercurrents in LT can be classified as leaning towards *the labor theory of value* (= LTV) or *the labor theory of property* (= LTP).

Since so much of the literature is formulated in terms of LTV, it is further necessary to divide treatments of LTV that are really veiled versions of the labor theory of property from treatments that are focused on value theory as a quasi-price theory.



The property-oriented versions emphasize labor as the *source* or *cause* of (the value of) the product, while the price-oriented versions consider labor as the *measure* of value. The arrow from the “Labor as the SOURCE (of Value) of the Product” box back to the “labor theory of property” box indicates that (as will be explained below) the source-versions of LTV are essentially veiled versions of LTP.

### Is Labor Peculiar?

It is remarkable that the human science of “Economics” has not been able to find or recognize any fundamental difference between the actions of human beings (i.e. “labor”) and the services of things (e.g. the services of the widget-maker machine). Neoclassical economics uses two pictures of the production process—an “*active*” *poetical picture* and a *passive engineering picture*—both of which view labor as being symmetrical with the services of things.

The poetic view animistically pictures land and capital as “agents of productions” that (who?) cooperate together with workers to produce the product. Land is the mother and labor is the father of the harvest. This personification of land and capital is an example of the *pathetic fallacy*. It has long been criticized by radical economists such as Thomas Hodgskin:

...the language commonly in use is so palpably wrong, leading to many mistakes, that I cannot pass it by altogether in silence. We speak, for example, in a vague

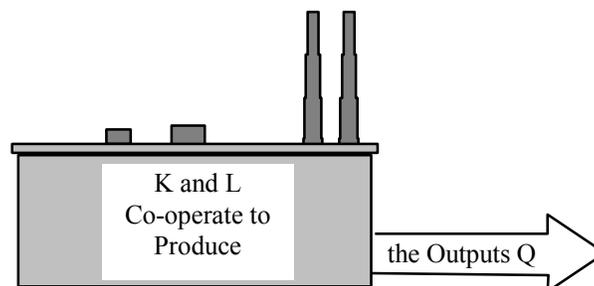
manner, of a windmill grinding corn, and of steam engines doing the work of several millions of people. This gives a very incorrect view of the phenomena. It is not the instruments which grind corn, and spin cotton, but the labour of those who make, and the labour of those who use them... . (Hodgskin, 1827, pp. 250–1)

All capital is made and used by man; and by leaving him out of view, and ascribing productive power to capital, we take that as the active cause, which is only the creature of his ingenuity, and the passive servant of his will. (Hodgskin, 1827, p. 247; quoted in King, 1983, p. 355)

For instance, the name “widget-maker” pictures the machine as making widgets. Marx was later to ridicule the same animism in capitalist economics.

It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters... . (Marx, 1967, p. 830)

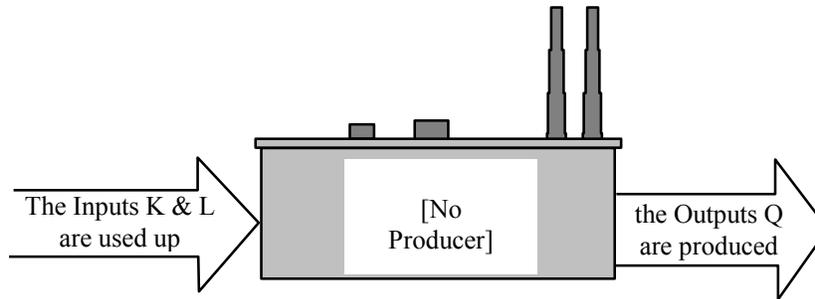
This *active poetic view* can be represented as follows.



The Active Poetic View of Production

The other view favored in capitalist economics (particularly in technical contexts) is the *passive engineering view*. Human actions are treated simply as causally efficacious services of workers alongside the services of land and capital.

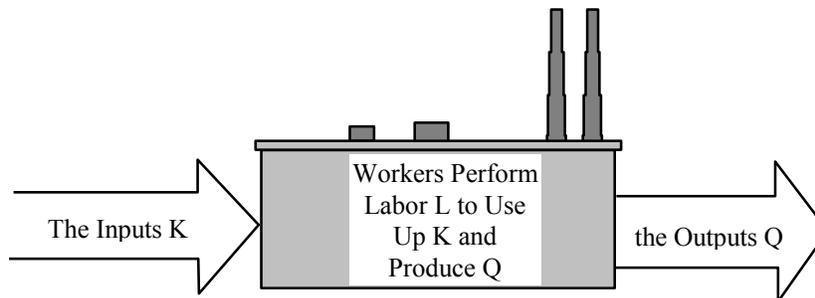
The engineering view switches to the passive voice: “Given input K and L, the outputs Q are produced.”



The Passive Engineering View of Production

The question “Produced by who?” is off-limits because the “who” (the workers of the enterprise) has been reconceptualized as just another input, the labor input, in an engineering description of the production process. There is no active agent who uses up the inputs to produce the outputs. Production is pictured as a technological process that just takes place.

There is a third view, the *humanistic view* of production. Neo-classical economics does not emphasize this view. The humanistic view portrays human beings as using capital and land to produce the outputs. It treats human beings as persons who are not symmetrical with things like capital and land. Human actions, or “labor services,” use up the services of capital and land in the process of producing the product.



The Humanistic View of Production

Radical economists have also attempted to find a unique and relevant characteristic of labor (“Only labor is the source of value”) that would differentiate it from the other factor services. These attempts have not been particularly fruitful.

Marx attached great importance to his “discovery” of the distinction between labor power and labor time. Yet that distinction is not even unique to labor. When one rents a car for a day, one buys the right to use the car (“car power”) within certain limits for the day. The actual services extracted from the car are another matter. The car could be left in a parking lot, or driven continuously at high speeds. To prevent being “exploited” by heavy users of “car time,”

car rental companies typically charge not just a flat day rate but have also a “piece-rate” based on the intensity of use as measured by mileage.

The labor-power/labor-time distinction gets heavy play in literary presentations of Marxian exploitation theory. That distinction, aside from being non-unique to labor, plays no role whatsoever in the modern mathematical development of the Marxian labor theory of value and exploitation using input-output theory (see Ellerman, 1992). There “is in fact no place in the formal analysis at which the labor/labor power distinction gets introduced” (Wolff, 1984, p. 178). But the relevant point here is that the development of the whole labor theory of value and exploitation is not based on any unique property of labor. One could just as well develop (say) a theory of corn value which would show how corn is “exploited” in a productive economy (see Wolff, 1984).

Thus we have the twofold situation wherein conventional economics does not recognize any fundamental and relevant differentiation of the actions of human beings from the services of things, while Marxian economics tries to isolate a unique and relevant property of labor (labor time versus labor power) as a basis for its theory of value and exploitation—but it fails to do so successfully.

Marx touched on deeper themes when he differentiated human labor from the services of the lower animals (and things) in his description of the labor process.

We presuppose labour in a form in which it is an exclusively human characteristic. A spider conducts operations which resemble those of the weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells. But what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. At the end of every labour process, a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally. (Marx, 1977, pp. 283–4)

This conscious directedness and purposefulness of human action is part of what is now called the *intentionality* of human action (see Searle 1983; Ellerman, 1995, Chapter 7). This characterization does have significant import, but Marx failed to connect intentionality to his labor theory of value and exploitation (or even to his labor-power/labor-time distinction). This is in part because Marx tried to develop a labor theory of value as opposed to a labor theory of property.

## Only Labor is Responsible

If we move from the artificially delimited field of “economics” into the adjacent field of law and jurisprudence, then it is easy to recognize a fundamental and unique characteristic of labor. *Only labor can be responsible*. The responsibility for events may not be imputed or charged against non-persons or things. The instruments of labor and the means of production can only serve as conductors of responsibility, never as the source.

An instrument of labour is a thing, or a complex of things, which the worker interposes between himself and the object of his labour and which serves as a conductor, directing his activity onto that object. He makes use of the mechanical, physical and chemical properties of some substances in order to set them to work on other substances as instruments of his power, and in accordance with his purposes. (Marx, 1977, p. 285)

Marx did not *explicitly* use the concept of responsibility or cognate notions such as intentionality. After Marx died, the genetic code of Marxism was fixed. Any later attempt to introduce these notions was heresy.

While Marx did not use the word “responsibility,” he nevertheless clearly describes the labor process as involving people as the uniquely responsible agents acting through things as mere *conductors* of responsibility. The responsibility for the results is imputed back through the instruments to the human agents using the instruments. Regardless of the “productivity” of the burglary tools (in the sense of causal efficacy), the responsibility for the burglary is imputed back through the tools solely to the burglar.

The natural sciences take no note of responsibility. The notion of responsibility (as opposed to causality) is not a concept of physics and engineering. The difference between the responsible actions of persons and the non-responsible services of things would not be revealed by a simple engineering description of the causal consequences of the actions/services. Therefore when economists choose to restrict their description of the production process to an engineering production function, they are implicitly or explicitly deciding to ignore the difference between the actions of persons and the services of things.

The various pictures of production—the active poetic view, the passive engineering view, and the humanistic view—can be illustrated by three possible confessions from George Washington after he used an ax to chop down the cherry tree.

— *Active Poetic View*: I cannot tell a lie; an ax cooperated with me to chop down the cherry tree.

— *Passive Engineering View*: I cannot tell a lie; given an ax and some of my labor, the cherry tree was chopped down.

— *Humanistic View*: I cannot tell a lie; I used an ax to chop down the cherry tree.

What is the difference? There is no difference from the viewpoint of the natural sciences. The difference concerns *responsibility*; each confession gives a different shading to the question of responsibility. The inability of capitalist economics to recognize that unique and relevant characteristic of labor is an ideological blindspot which reflects the symmetrical fact that both labor services and the services of land and capital are salable commodities in a capitalist economy. To analytically treat labor as being fundamentally different—when the capitalist system treats labor as a salable commodity like the services of capital and land—would be a perversity as abhorrent as preaching abolitionism in the middle of the Ante-bellum South.

### **Juridical Principle of Imputation = Labor Theory of Property**

The pre-Marxian Ricardian socialists (or classical laborists) such as Proudhon, William Thompson, and Thomas Hodgskin tried to develop “the labor theory” as the labor theory of property. The most famous slogan of these classical laborists was “Labour’s Claim to the whole product” (see Hodgskin, 1832 or Menger, 1899).

This claim was hindered by their failure to clearly include the liabilities for the used-up inputs in their concept of the “whole product.” This allowed the orthodox caricature, “all the GNP would go to labor and none to property” (Samuelson, 1976, p. 626), *as if* there were no liabilities for the used-up inputs to be appropriated along with the produced outputs. If Labor appropriated the whole product, that would include appropriating the liabilities for the property used up in the production process in addition to appropriating the produced outputs. Present Labor would have to pay input suppliers (e.g. past Labor) to satisfy those liabilities.

The Ricardian socialists’ development of the labor theory of property was also hindered by their failure to interpret the theory in terms of the juridical norm of legal imputation in accordance with (*de facto*) responsibility. LTP is concerned with responsibility in the *ex post* sense of the question “Who did it?”, not with “responsibilities” in the *ex ante* sense of one’s duties or tasks in an organizational role. A person or group of people are said to be *de facto* or *factually responsible* for a certain result if it was the purposeful result of their intentional (joint) actions. The assignment of *de jure* or *legal responsibility* is called “imputation.” The basic *juridical principle of imputation* is that *de jure* or legal responsibility is to be imputed in accordance with *de facto* or factual responsibility. For example, the legal responsibility for a civil or criminal wrong should be assigned to the person or persons who intentionally committed the act, i.e. to the *de facto* responsible party.

In the context of assigning property rights and obligations, the juridical principle of imputation is expressed as the *labor theory of property* which holds that people should appropriate the (positive and negative) fruits of their labor. Since, in the economic context, intentional human actions are called “labor,” we can express the *equivalence* as:

<p>The Juridical Principle of Imputation:          People should have the legal responsibility          for the positive and negative results of their          intentional actions.</p>	=	<p>The Labor Theory of Property:          People should legally appropriate the          positive and negative fruits of their labor.</p>
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In other words, the juridical principle of imputation is the labor theory of property applied in the context of civil and criminal trials, and the labor theory of property is the juridical principle applied in the context of property appropriation.

*De facto* responsibility is *not* a normative notion; it is a descriptive factual notion. The juridical principle of imputation is a normative principle which states that legal or de jure responsibility should be assigned in accordance with *de facto* responsibility. In the jury system, the jury is assigned the *factual question* of “officially” determining whether or not the accused party was *de facto* responsible for the deed as charged. If “Guilty” then legal responsibility is imputed accordingly.

Economics is always on “jury duty” to determine “the facts” about human activities. These are not value judgments (where social scientists have no particular expertise). The economist–as–juror is only required to make factual descriptive judgments about *de facto* responsibility. The normative and descriptive questions should be kept conceptually distinct. That separation is difficult since, given the juridical principle, *de facto* responsibility implies de jure responsibility.

In a given productive enterprise, the economist-as-juror faces the descriptive question of what or, rather, who is *de facto* responsible for producing the product by using up the various inputs? The *marginal productivity* of tools (machine tools or burglary tools) is not relevant to this factual question of *responsibility* either inside or outside the courtroom. Only human actions can be responsible; the services provided by things cannot be responsible (no matter how causally efficacious). The original question includes the question of who is responsible for using up those casually efficacious or productive services of the tools.

One of the original developers of marginal productivity theory in economics, Friedrich von Wieser, admitted that of all the factors of production, only labor is responsible.

The judge,... who, in his narrowly-defined task, is only concerned with the legal imputation, confines himself to the discovery of the legally responsible factor,—that person, in fact, who is threatened with the legal punishment. On him will rightly be laid the whole burden of the consequences, although he could never by himself alone—without instruments and all the other conditions—have committed the crime. The imputation takes for granted physical causality.

... If it is the moral imputation that is in question, then certainly no one but the labourer could be named. Land and capital have no merit that they bring forth fruit; they are dead tools in the hand of man; and the man is responsible for the use he makes of them. (Wieser, 1930, pp. 76–9)

These are remarkable admissions. Wieser at last has in his hands the correct explanation of the old radical slogans “Only labor is creative” or “Only labor is productive,” which even the classical laborists and Marxists could not explain clearly.

Wieser’s response to his insights exemplifies what often passes for moral reasoning among many economists and social theorists in general. Any stable socio-economic system will provide the conditions for its own reproduction. The bulk of the people born and raised under the system will be appropriately educated so that the superiority of the system will be “intuitively obvious” to them. They will not use some purported abstract moral principle to evaluate the system; the system is “obviously” correct. Instead any moral principle is itself judged according to whether or not it supports the system. If the principle does not agree with the system, then “obviously” the principle is incorrect, irrelevant, or inapplicable.

The fact that only labor could be legally or morally responsible therefore did not lead Wieser to question capitalist appropriation. It only told him that the usual notions of responsibility and imputation were not “relevant” to capitalist appropriation. Capitalist apologetics would require a new metaphorical notion of “economic imputation” in accordance with another new notion of “economic responsibility.”

In the division of the return from production, we have to deal similarly ... with an imputation,—save that it is from the economic, not the judicial point of view.  
(Wieser, 1930, p. 76)

By defining “economic responsibility” in terms of the animistic version of marginal productivity, Wieser could finally draw his desired conclusion that competitive capitalism “economically” imputes the product in accordance with “economic” responsibility.

In spite of Wieser’s candid admission a century ago that “no one but the labourer could be named” and that the assignment of legal responsibility “takes for granted physical causality,” the author has not been able to find a single contemporary economics text, elementary or advanced, which similarly admits that among all the causally efficacious factors, only labor is responsible. The legal system’s treatment of “labor” as the only responsible “input service” is apparently a forbidden topic in economics. Contemporary texts cannot use the R-word. The same texts express their “puzzlement” at how so many earlier political economists could “overlook” land and capital, and believe that “labor was the only productive factor.” A closer reading of Wieser, not to mention common sense, would suggest another interpretation of the “labor theory.”

### **What is Labor’s Product?**

Given a group of apple trees, consider the human activity of Adam picking apples for an hour to produce a bushel of apples. The human activity of picking the apples for an hour is reconceptualized in economics as another “input,” a man-hour of apple-picking labor, to the now subjectless production process. Given a group of apples trees and a man-hour of apple-picking labor as inputs, a bushel of apples is produced as the output. The question of *who* uses the inputs to produce the outputs has no answer because the actions of the people carrying out the process are construed as just another input in the engineering description of a technological input-output process.

Prior to conceptualizing the human activity of production as an “input” to a dehumanized technological conception of production, we could use two-component lists (or vectors),

(outputs, inputs).

The productive activities of all the people working in the given production example produce  $Q$  by using up  $K$ , so  $(Q, -K)$  is *Labor’s product*. The labor  $L$  performed by the people working in the enterprise is simply a way to refer to the human activity of producing  $(Q, -K)$ .

$\text{Labor } L = \text{Human Activity of Producing } (Q, -K)$
---

But then that activity  $L$  is reconceptualized as another “input,” an input to the now subjectless production process. Using this artificial reconceptualization, the people working in the production process produce the labor services  $L$  and then use up  $K$  as well as  $L$  in the production of  $Q$ . Using the vector notation, they produce the labor  $(0, 0, L)$  and they produce the *whole*

*product*  $(Q, -K, -L)$  which add together (by adding the corresponding components) to yield the three-component version of Labor’s product.

$\begin{aligned} \text{Labor's product} &= (Q, -K, 0) &= (Q, -K, -L) &+ (0, 0, L) \\ & &= \text{whole product} &+ \text{labor services.} \end{aligned}$
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In capitalist production, the people working in the firm, i.e. the party herein called “Labor,” appropriate and sell only their labor services to the employer who, in turn, appropriates the whole product. In a democratic firm, Labor appropriates Labor’s product (which is the sum of the whole product and the labor services). The difference between the two forms of production lies in who appropriates the whole product which consists of the produced outputs  $Q$  and the liabilities  $-K$  and  $-L$  for the used-up inputs and labor activity. Under capitalist production, the workers still produce Labor’s product (since that is a question of fact unchanged by the legal superstructure) but only appropriate their labor services as a commodity. Hence the assets and liabilities that they produce but do not appropriate constitute the whole product (subtract corresponding components in the lists).

$\begin{aligned} \text{Labor's Product} &= (Q, -K, 0) \\ \text{Minus: } \underline{\text{Labor as a Commodity}} &= -(0, 0, L) \\ \text{Equals: } \text{Whole Product} &= (Q, -K, -L). \end{aligned}$
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In words, the equation is as follows.

$\begin{aligned} &\text{What Labor Produces} \\ \text{Minus: } &\underline{\text{What Labor Produces and Appropriates}} \\ \text{Equals: } &\text{What Labor Produces and Does Not Appropriate.} \end{aligned}$
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The labor theory of property holds that the people working in every enterprise should appropriate the positive and negative fruits of their labor which in the vector notation is Labor’s product (= whole product + labor services). Thus in the comparison with the capitalist firm, the labor theory of property implies that Labor should appropriate the whole product. We saw before that “appropriating the whole product” was a property-oriented description of being the

residual claimant, i.e. being the firm. In short, the labor theory of property implies that Labor should be the firm, i.e. that the firm should be a democratic worker-owned firm.

It is important to understand what this argument does *not* imply. We have already taken some pains to separate the residual claimant's role from the capital-owner's role. The labor theory of property implies that Labor should have the residual claimant's role. It does not imply that the current workers in any enterprise should own the capital assets of that enterprise which have been accumulated from the past. The argument does imply that the current workers are *de facto* responsible for and should be legally responsible for using up the services of those capital assets (i.e. should be legally responsible for the input-liabilities –K).

### **Property Theoretic Themes in Marxian Value Theory**

We turn now to the task of intellectual reclamation—trying to salvage some of Marx's "labor theory"—a task that is little appreciated by both conventional and Marxist economists. Marx's labor theory of value—as a theory to measure value—is one of the most spectacular failures in the history of economic thought (see Ellerman, 1992 for analysis and criticism). There is, however, the alternative interpretation of Marx's theory which emphasizes labor-as-source instead of labor-as-measure. That turns out to be a disguised version of the labor theory of property, not a value theory at all. In this section, we try to tease out these property-theoretic themes in Marxian thought.

Marx started by singling out human action as the unique activity that acted upon the world to endow it with intents and purposes—even though Marx and latter-day Marxists do not use the notion of responsibility to differentiate human actions from the services of things (Marxists have been as unable as capitalist economists to find the R-word).

But although part of Nature and subject to the determinism of natural laws, Man as a conscious being had the distinctive capability of struggling with and against Nature—of subordinating and ultimately transforming it for his own purposes. This was the unique rôle of human productive activity, or human labour, which differentiated man from all (or nearly all) other animate creatures ... (Dobb, 1973, pp. 143–4)

Marx clearly saw that physical causal processes can never be co-responsible with human agents; the causal processes serve only as "conductors" to transmit human intentions. Hence the

assignment of legal responsibility in accordance with *de facto* responsibility “takes for granted physical causality.”

Marx also was by no means exclusively concerned with developing the labor-as-a-measure version of LTV. It was not simply that value is a function of labor, but that direct labor *creates* the value added to the material inputs.

For the capitalist, the selling price of the commodities produced by the worker is divided into three parts: *first*, the replacement of the price of the raw materials advanced by him together with replacement of the depreciation of the tools, machinery and other means of labour also advanced by him; *secondly*, the replacement of the wages advanced by him, and *thirdly*, the surplus left over, the capitalist’s profit. While the first part only replaces *previously existing values*, it is clear that both the replacement of the wages and also the surplus profit of the capitalist are, on the whole, taken from the *new value created by the worker’s labour* and added to the raw materials. (Marx, 1972, p. 182)

We previously drew a conceptual road map of “The Labor Theory” which saw it divide into LTP and LTV. Then LTV divided into “labor as source” and “labor as measure” theories. The source versions of LTV are best understood as (confused) value-theoretic renditions of the labor theory of property.

The source/measure dichotomy should not be confused with a prescriptive-descriptive dichotomy. “Responsibility for” (or “source of”) has a descriptive (*de facto*) and a normative (de jure) interpretation. The descriptive question of who is *de facto* responsible for committing a burglary is distinct from the normative question of who should be held de jure responsible for the burglary. The imputation principle—that de jure responsibility should be assigned according to *de facto* responsibility—provides the link between the two questions.

The source version of LTV and LTP also have both a descriptive and a prescriptive side. The controversy lies largely on the descriptive side although the normative parts are necessary to complete any critique of capitalist production. The descriptive side of neo-classical economics (e.g. marginal productivity theory) resorts to metaphor (pathetic fallacy) to picture causality as “responsibility”—to picture each causally efficacious factor as being responsible for producing a share of the product.

Classical laborists, such as Thomas Hodgskin, as well as Marx criticized this personification of the factors. They based the source-LTV and LTP on the unique attribute of labor that it is the

only “creative” factor. That attribute of *de facto* responsibility is not a concept of the natural sciences. But it is central to the descriptive side of the source-LTV.

The crucial descriptive aspect remains the capturing of the human dimension of production and distribution in the labour theory of value viewed as a category of descriptive statements, rather than the possibility of “determining” or “predicting” prices on the basis of values,... (Sen, 1978, p. 183)

Economists who seem to take as their professional mission to rationalize an economy that treats persons as things (by allowing them to be hired or rented), may well tend to adopt the science of things (physics and other natural sciences) as the scientific model for “economics.” Attempts to use notions unique to the human sciences—such as the notions of “responsibility” or “intentionality”—to differentiate labor from the services of things are thus deemed inappropriate in the “science” of economics.

Marx did take labor as the unique source of the value-added so Marx played both sides of the source/measure dichotomy. It was not simply that direct labor was a measure of the value of the surplus product but that direct labor was the *source* of the surplus product. Indeed, Marx’s whole exploitation analysis only makes sense under the labor-as-source interpretation of the labor theory of value. The point was *not* that labor created *the value of* the product, but that labor *created the product itself*.

And it is this fairly obvious truth which, I contend, lies at the heart of the Marxist charge of exploitation. The real basis of that charge is not that workers produce value, but that they produce what has it. (Cohen, 1981, p. 219)

In the assertion that “labor created *the value of* the product,” the phrase “the value of” can be deleted and thrown, along with the measure-LTV, into the dustbin of intellectual history.

Some economists have been quite explicit about the (non-orthodox) property-theoretic interpretation of Marx’s value theory. Thorstein Veblen was never a slave to the standard or orthodox interpretation of any theory. Veblen saw natural rights arguments standing behind the general thrust of Marx’s theory. Veblen sees the claim of Labor’s right to the whole product implicit in Marx and traces it to the classical laborists or Ricardian socialists.

Chief among these doctrines, in the apprehension of his critics, is the theory of value, with its corollaries: (a) the doctrines of the exploitation of labor by capital; and (b) the laborer's claim to the whole product of his labor. Avowedly, Marx traces his doctrine of labor value to Ricardo, and through him to the classical economists. The laborer's claim to the whole product of labor, which is pretty constantly implied, though not frequently avowed by Marx, he has in all probability taken from English writers of the early nineteenth century, more particularly from William Thompson. (Veblen, 1952, p. 316)

Recent scholarship would, however, emphasize the influence on Marx of Hodgskin and Bray more than Thompson (see King, 1983 and Henderson, 1985).

Gunnar Myrdal finds a similar reason behind even Ricardo's use of labor as the basis for his value theory in spite of criticism from Malthus, Say, and Bentham.

The solution of this puzzle may be found in the natural law notion that property has its natural justification in the labour bestowed on an object. (Myrdal, 1969, p. 70)

But the implications of the labor theory inevitably conflict with classical liberalism which fully accepted wage labor.

The foundation of the theory is the uniqueness of labor; of all the causally efficacious factors, labor is the only responsible agent.

Man alone is alive, nature is dead; human work alone creates values, nature is passive. Man alone is *cause*, as Rodbertus said later, whilst external nature is only a set of *conditions*. Human work is the only active cause which is capable of creating value. This is also the origin of the concept "productive factor". It is not surprising that the classics recognized only *one* productive factor, viz., labour. The same metaphysical analogies that were used to establish natural rights were also used to expound the idea of natural or real value. It is an example of the previously mentioned attempt of the philosophy of natural law to derive both rights and value from the same ultimate principles. (Myrdal, 1969, p. 72)

Thus the Janus-headed “labor theory” has long served as both a property theory and a value theory—even though orthodox economists only *want* to see it as a (fallacious) price theory in Marx.

They tend to focus attention on the theory of exchange value [and] neglect its foundations ... Marx was right in saying that his surplus value theory follows from the classical theory of real value, admittedly with additions from other sources. Moreover, Marx was not the first to draw radical conclusions from it. All pre-Marxist British socialists derived their arguments from Adam Smith and later from Ricardo. (Myrdal, 1969, p. 78)

It is time to step back for a moment and consider Marx’s value theory in a larger context.

[T]he “naturalness” of labour as the moral title to what is created by that labour has been a commonplace of political and economic radicalism for three hundred years; and political and economic conservatism has had a continuous struggle to defuse the revolutionary implications of it. (Ryan, 1984, p. 1)

The central point of the labour theory as a theory of exploitation is that *labour is the only human contribution to economic activity, and the exercise of labour power should be the only way in which a claim to the net product of a nonexploitative economic system is acquired.* (Nutti, 1977, p. 96)

A typical response by Marxists is “None of this, by the way, implies that Marx intended the labor theory of value as a theory of property rights, à la Locke or even Proudhon” (Shaikh, 1977, p. 121) as if the question of what “Marx intended” was relevant beyond the confines of Marxology.

### **The Employment Contract vs. *de facto* Inalienability**

“Private ownership of the means of production” is not the culprit. We have seen enough of the plot to ferret out the true villain of the piece. The labor theory of property normatively implies that Labor (the workers including managers) in each enterprise ought to be the residual claimant for that enterprise. We previously noted the descriptive fact that any legal party could be the residual claimant by becoming the hiring party, the party who hires (or already owns) all the inputs to be used up in production. The workers’ claim to the positive and negative fruits of their labor is thus legally defeated by the workers being hired, i.e. by the employment contract. It is

thus the employment contract that defeats the legal implementation of the labor theory of property.

The employer-employee contract inherently conflicts with people's right to the fruits of their labor. The employment contract is the contract for the voluntary hiring or renting of human beings. When a person is legally rented or "employed," then the person has no legal responsibility for the positive or negative results of his or her actions; that legal responsibility goes to the employer. Renting capital gives financial leverage ("gearing" in the UK); it multiplies the effect of the equity capital. Similarly, renting people creates *human leverage*; it multiplies the effect of the employer—as if all the results were the fruits of solely the employer's labor.

This conflict between "employment" and *de facto* responsibility has long been apparent in the law. We noted previously that the labor theory of property was only a property-theoretic rendition of the usual juridical principle of imputing legal responsibility in accordance with *de facto* responsibility. We also saw that—unlike the services of things—the actions of persons are *de facto* responsible. That *de facto* responsibility is independent of legal contracts, i.e. people do not suddenly become non-responsible tools or instruments when they sign an employment contract. The legal authorities only explicitly apply the juridical principle when a human activity ends up in court, i.e. when a criminal or civil wrong has been committed. When an employee—even within the context of a normal employment relation—commits a crime at the behest of the employer, then the employee suddenly becomes a partner in the enterprise.

All who participate in a crime with a guilty intent are liable to punishment. A master and servant who so participate in a crime are liable criminally, not because they are master and servant, but because they jointly carried out a criminal venture and are both criminous. (Batt, 1967, p. 612)

The legal authorities will not allow an employment contract to be used by an employee to avoid the legal responsibility for his or her *de facto* responsible actions.

But when the "venture" being "jointly carried out" is a normal capitalist enterprise, the workers do not suddenly become *de facto* non-responsible tools or instruments. They are just as much *de facto* responsible together with the working employer as when "they jointly carried out a criminal venture." It is the reaction of the law that suddenly changes. Now the employment contract for the renting of human beings is accepted as a "valid" contract. The *de facto* responsibility of human action is nevertheless not factually transferable even though the legal authorities now accept the employment contract for the sale of labor as a commodity as "valid."

The legal system faced the same internal contradiction when it treated slaves as legal chattel in the Ante-bellum South. The legally non-responsible instrument in work suddenly became a responsible person when committing a crime.

The slave, who is but “*a chattel*” on all *other* occasions, with not one solitary attribute of personality accorded to him, becomes “*a person*” whenever he is to be *punished*. (Goodell, 1969, p. 309)

As an Ante-bellum Alabama judge put it, the slaves in fact

are rational beings, they are capable of committing crimes; and in reference to acts which are crimes, are regarded as persons. Because they are slaves, they are ... incapable of performing civil acts, and, in reference to all such, they are things, not persons. (Catterall, 1926, p. 247)

It should be no surprise that the legal system involves the same contradiction when workers are rented instead of being owned. The rental relation is voluntary (unlike traditional slavery) but *de facto* responsibility is not voluntarily transferable. A person would not become a *de facto* non-responsible entity if he or she voluntarily agreed to the legal condition of slavery. And the hired criminal would certainly voluntarily agree to give up any and all responsibility for the results of his actions. But regardless of the language on the contract and regardless of the reaction of the legal system, the fact is that he remains a *de facto* responsible person.

It is useful in this connection to consider the *de facto* alienability of things. We can voluntarily give up and transfer the temporary use of a tool or instrument to another person so the other person can employ it and be solely *de facto* responsible for the results of that employment. The legal contract that fits the transfer is the lease or rental contract; the owner of the instrument rents, leases, or hires out the instrument to be used by someone else. The same facts do *not* apply to our *selves*. We cannot voluntarily give up and transfer the temporary use of our own persons to another person so the other person can “employ” us and be solely *de facto* responsible for the results of that employment. Our own *de facto* responsibility intrudes. From the factual viewpoint, we are inexorably partners. The so-called “employees” can only cooperate together with the worker employer but then they are jointly *de facto* responsible for the venture they “jointly carried out.” But the law still treats the legal contract for the hiring of human beings as a “valid” contract even though human actions are not *de facto* transferable like the services of a tool or instrument.

The nice word for this is “legal fiction.” The law will accept the *de facto* responsible co-operation of the “employees” *as if* that fulfilled the hiring contract. Or, at least, the law will do that if no crime has been committed. If a crime has been committed, then the law will not allow the labor theory of property (i.e. the juridical principle of imputation) to be defeated by the employment contract. The law will not allow this “fictional” transfer of labor to shield the criminous servant from legal responsibility. Then the fiction is set aside in favor of the facts; the enterprise is legally reconstructed as a partnership of all who worked in it.

The not-so-nice word for this is “fraud.” When the legal system “validates” the contract for the renting of human beings, that is a fraud perpetrated on an institutional scale. It is our own peculiar institution.

This argument is an application to the employment contract of the *de facto theory of inalienable rights* that descends from the history of anti-slavery and democratic thought (see Ellerman, 1992). *De facto* responsibility is factually inalienable, and thus without having a legalized form of fraud, it must be legally inalienable. The legal contract to alienate and transfer that which is *de facto* inalienable is inherently invalid. The natural-law invalidity of the voluntary self-enslavement contract (to sell all of one’s labor) is already legally recognized; the invalidity of the contract to rent or hire human beings should be similarly legally recognized.

The chapter began with an analysis of the Fundamental Myth of capitalism, that the residual claimant’s role was part of the property rights of “ownership of the means of production.” A frequent reply is that while it is “formally” true that residual claimancy is not part of capital ownership, the bargaining power of capital ownership is sufficient that “Capital hires Labor” at will. Thus residual claimancy is said to be “*in effect* part of the ownership of capital.”

The rejoinder is that we are not arguing that the determination of the hiring party should be left to marketplace bargaining power (any more than the question of the ownership of human beings should be left to market transactions). The argument for the invalidity of the hired-labor contract completes the argument. With the contract for the renting of human beings ruled out as invalid, it would not be a question of bargaining power. All industry would be organized on the basis of people renting (or already owning) capital instead of the owners of capital renting people. Thus the capital suppliers—as capital suppliers—are denied the residual claimant’s role (they might also work and be part of the residual claimant in that role). Since the residual claimant’s role was never part of their property rights, this is no violation of their actual (as opposed to imagined) property rights. They are only denied the “freedom” to make the naturally invalid contract to rent other human beings.

There is no need to “adopt” the labor theory of property; it is already adopted. It is the fundamental juridical principle of imputation. Our argument is to “dis-adopt” the inherently invalid contract for the renting of human beings—the contract that defeats the application of the labor theory of property (when no crime has been committed). The facts of human are the same whether the venture is criminal or not. Every enterprise should be legally reconstructed as a partnership of all who work in the enterprise. Every enterprise should be a democratic firm.

# Chapter 2: *Democratic Theory*

## Democracy in the Firm

### *The Enterprise as a Governance Institution*

Is a company an organization for the governance of people or only for the administration of things? If a company carries out any productive or service operations, then the people conducting those operations are governed by the company within the scope of those operations.

As a legal technicality, there could be an “uninhabited corporation” that served only a holding bin for assets that stood idle or were leased out to other companies or individuals. No one would *work* in such an “uninhabited company”; the shareholders would then only be concerned with “the administration of things.”

Any company with people *working* in it is an institution of governance—so the question of democracy arises.

### *Stakeholders: the Governed and the Affected*

Democracy is a structure for the governance of people, not the management of property. It is the structure wherein those who govern are selected by, and govern as the representatives of, the governed. In an economic enterprise, the managers are those who govern, but who are “the governed”?

The *stakeholders* in an enterprise are all those people who are either governed by the enterprise management or whose interests are affected by the enterprise. Thus the stakeholders would include:

The Governed	• The Workers (including Managers)
The Affected	• The Shareholders • The Input Suppliers, • The Customers, and • The Local Residents.

### Stakeholders

But there is a crucial partition of this broad group of stakeholders into two groups which will be called “the governed” and “the affected.”

“*The governed*” are those who (within certain limits) take orders from the enterprise management, i.e. who are under the authority of the managers.

“*The affected*” are those whose person or property are *only* affected by the activity of the enterprise but who are not personally under the authority of the management.

The shareholders are not under the authority of managers; neither are the suppliers of the material inputs, the customers, nor those who live in the vicinity of the enterprise’s operations. All those people might have their interests affected by the activities of the firm, but they don’t take orders from the firm. The workers do. Only the people who work in the firm are “the governed.”

The employment system promotes the mental acrobatics of dividing a person into two different legal roles: (1) the owner and seller of labor services (the labor-seller role), and (2) the person who performs the labor services (the worker role). Under slavery, different people might play the two roles as when a master hired out some of his slaves to work for someone else during slack times. In modern times, there has even developed a labor resale market—called “employee leasing”—which separates the two roles. A person rents himself or herself to company A and then company A rents or leases the person to company B. In the second labor-sale contract, the legal party selling the labor services (company A) is distinct from the person performing the labor.

In the normal capitalist firm, the employee plays both roles. Economists are fond of only considering the employee in his or her labor-seller role—just another input supplier. Then they can mentally treat the workers as external input suppliers who indeed do have direct control over their labor-selling activities. They are not “governed” *in that role*. Management has no legal authority to tell them the price and quantity involved in their labor-selling decision. It is in the employee’s worker role that the person is governed by management, *not* in the employee’s labor-seller role.

### *Direct versus Indirect Control*

Discussions of corporate governance are often clouded by insufficient attention to the distinction between those who are governed by the corporation and those whose interests are only affected by the firm. Vague statements are made about all the stakeholders having the right to “control” the company to protect their affected interests. But such broad assertions about “control rights” are not too helpful since the control rights legally held by shareholders are fundamentally different from the control rights held by, say, suppliers and customers. In particular, there is a basic distinction between direct control rights (positive decision-making rights) and indirect

control rights (negative decision-constraining rights) that should run parallel to the earlier distinction between the governed and those only affected by an enterprise.

We are discussing the decisions of a given enterprise, not the decisions of outside parties. The direct control rights are the rights to ultimately make the decisions of the enterprise. The managers make day-to-day decisions but they do so as the representatives of those who ultimately hold the direct control rights. In a conventional capitalist corporation, the common stockholders hold those direct control rights.

Outside parties, such as supplier or customers, have the direct control rights over their own decisions, but—relative to the enterprise’s decisions—they have only an indirect or negative decision-constraining role. “No, I will not sell the firm these inputs at that price.” “No, I will not buy that output on those terms.” Even the worker in his or her labor-seller role can say “No, I will not sell that amount of labor at that price without this benefit.”

### *The Affected Interests Principle*

Those who are potentially affected by the operations of the enterprise should have an effective means to exert indirect control on the enterprise operations to protect their legitimate interests. This could be stated as the:

AFFECTED INTERESTS PRINCIPLE. Everyone whose rightful interests are affected by an organization’s decisions should have a right of indirect control (e.g. a collective or perhaps individual veto) to constrain those decisions.

It is difficult to effectively implement this principle. The market is the customary means of protecting outside interests in a market economy. But even then, there are a host of externalities where outside interests are affected without the benediction of a market relationship. And within market relations, there could be monopolistic power on one side of the market so that there is “consent” but little choice. Or there could be such large informational asymmetries that “consent” is not meaningfully informed. In such cases, the government often intervenes to regulate the market and attempt to offer better protection of the affected interests. These acknowledged difficulties in the implementation of the affected interests principle need not detain us here. Our concern is the assignment of the direct control rights over the enterprise.

There is a related argument that should be mentioned. Pressure groups for particular sets of affected interests (e.g. consumers) sometimes argue that they should have voting seats on the corporate board of directors to protect their interests. Leaving aside the fallacious assumption

that the role of the board should be to protect *outside* affected interests, it is nevertheless difficult to see how this tactic can work. It runs up against the “law of one majority”; each different and opposing group of external affected interests cannot have a majority on the board of directors. A minority board position may have some informational value but the vote then has little control value. To protect their affected interests, the minority outside interests must fall back on indirect control rights (e.g. negative covenants in market contracts or government regulations) which they had independently of the voting board seats.

The board of directors is the locus for the exercise of direct decision-making control rights, whereas the affected interests principle is only concerned with assigning indirect decision-constraining rights to the outside affected interests. The assignation of the direct control rights requires another principle, the democratic principle.

### *The Democratic Principle*

Who ought to have the ultimate direct control rights over the decisions of the enterprise? Democracy gives an unequivocal answer: *the governed*.

THE DEMOCRATIC PRINCIPLE. The direct control rights over an organization should be assigned to the people who are governed by the organization so that they will then be self-governing.

The shareholders, suppliers, customers, and local residents are not under the authority of the enterprise; they are not the governed. Only the people working in the enterprise (in their worker role) are “the governed” so only they would be assigned the ultimate direct control rights by the democratic principle. Needless to say, the same person can have several functional roles, e.g. as worker, as consumer, or as capital supplier. The democratic principle would assign direct control rights to the person *qua* worker in the enterprise, not *qua* consumer or *qua* capital-supplier.

Self-determination within a democratic framework does not include the right to violate the rights of outsiders. A democratically governed township does not have the right to do what it wants to neighboring towns. Direct control rights are to be exercised within the constraints established by the indirect control rights of the external affected interests. In that manner, each group can be self-governing. The workers can self-manage their work and the consumers can self-manage their consumption—with each abiding by the constraints established by the other and with neither having direct control rights over the other.

### *“Shareholders’ Democracy”*

In a capitalist corporation, the shareholders (absentee or not) have ultimate direct control rights over the operations of the corporation. They are the “citizens” who exercise these control rights by electing the corporate directors, the “legislators,” who are supposed to act as the representatives of and in the interests of the shareholder-citizens.

The analogy between state and corporation has been congenial to American lawmakers, legislative and judicial. The shareholders were the electorate, the directors the legislature, enacting general policies and committing them to the officers for execution. (Chayes, 1966, p. 39)

The board of directors selects the top managers who, in turn, select the remainder of the management team that manages the day-to-day operations of the corporation.

The direct control rights of shareholders are more nominal than effective in the large corporations with publicly traded shares—as was pointed out long ago by Adolf Berle and Gardner Means (1967 [1932]). Public stock markets have effectively disenfranchised the common stockholders. Each shareholder has a minuscule amount of the vote, and huge transaction costs block the self-organization of shareholders into “parties.” Most investors buy shares for the investment potential; the voting rights are only a vestigial attachment.

This “separation of ownership and control” creates a problem of legitimacy—legitimacy by *capitalist* standards. Corporate reformers dream of “real shareholders’ democracy” wherein the shareholders effectively exercise their control rights. The difficulty in this call for “democracy” is that the shareholders never were “the governed.”

Shareholder democracy, so-called, is misconceived because the shareholders are not the governed of the corporation whose consent must be sought. (Chayes, 1966, p. 40)

Perhaps an analogy is appropriate. A set of shareholders in England start off voting to elect the government of the American Colonies. Then their voting rights fall into disrepair so the autocratic government of the Colonies rules as a self-perpetuating oligarchy that is not answerable to the English shareholders (not to mention the American people). How can democracy be restored to America? Not by re-establishing the direct control of the outside shareholders but by reassigning the direct control rights to the governed.

How do corporate lawyers and legislators manage to avoid these none-too-subtle points? One popular method is to think of the corporation solely as a piece of property to be administered, not as an organization for the management of people. But that image would only be accurate if the corporation was “uninhabited,” if no one worked in the corporation.

It is the employment contract that turns the capitalist corporation-as-property into an organization of governance. That organization is not democratic in spite of the “consent of the governed” to the employment contract. The employees do not delegate the governance rights to the employer to govern as their representative. In the employment contract, the workers alienate and transfer their legal right to govern their activities “within the scope of the employment” to the employer. The employment contract is thus a limited workplace version of the Hobbesian *pactum subjectionis*. The argument for applying the democratic principle to the workplace is thus an argument which implies disallowing the employment contract just as we currently disallow any such Hobbesian contract to alienate democratic rights in the political sphere (for an extended analysis of the employment contract, see Ellerman, 1992).

When the democratic principle is applied across the board, then workers would always be member-owners in the company where they work and never just employees. The employment relation would be replaced by the membership relation.

#### *Democratic Socialism is not Democratic in the Enterprise*

“Democratic socialism” refers to a political-economic system where the bulk of industry is state-owned and the state is a political democracy. Is a state-owned firm in a political democracy a democratic firm? For example, is the Post Office a democratic organization since the post office workers, as citizens, elect a President who appoints the Postmaster General? The answer is “No,” but it is important to understand why such state-owned firms are undemocratic.

Democratic socialism is often criticized on grounds of scale. For instance, the workers in any one state-owned company are such a small portion of the total citizenry that they can have little real control over their enterprise. Hence democratic state-socialists become democratic municipal-socialists. If the enterprise was owned by the *local* government, then perhaps the workers would be less alienated. Or at least that seems to be the reasoning.

These practical problems in democratic socialism only veil the flaw in the theory of government ownership, regardless of whether the government is local or national. Citizenship in a democratic polity such as a municipality is based on having the functional role of residing within the jurisdiction of the polity, e.g. having legal residence in the municipality. Thus municipal socialism in effect assigns the ultimate direct control rights to the local residents.

Membership in a democratic enterprise is based on a different functional role, that of working within the enterprise. So-called “democratic socialism” assigns the ultimate control rights over the enterprise to the wrong functional role (the role that defines political citizenship) so it is not even democratic in theory—much less in practice—in the enterprise.

## **The Public/Private Distinction in Democratic Theory**

### *Personal Rights and Property Rights*

A *personal right* is a right that attaches to an individual because the person satisfies some qualification such as playing a certain functional role. Examples include basic human rights where the qualification is simply that of being human, and political citizenship rights in a polity (e.g. municipality) where the functional role is that of residing within the polity. In contrast, a person does not have to satisfy any particular functional role to hold a property right. A property right can be acquired from a prior owner or it can be appropriated as an initial right.

Personal rights are not transferable; they may not be bought or sold. If a personal right (that was supposed to be attached to a functional role) was treated as being marketable, then the buyer might not have the qualifying functional role. And if the would-be buyer did have the functional role, he or she would not need to “buy” the right.

In America, a person might have several quite different types of voting rights:

- a citizen’s political vote in a municipal, state, or federal election;
- a worker’s vote in a union;
- a member’s vote in a cooperative; or
- a shareholder’s votes attached to conventional corporate shares.

Which rights are personal rights and which are property rights?

Personal rights can be easily distinguished from property rights by the *inheritability test*. Since personal rights attach to the person by virtue of fulfilling a certain role, those rights would be extinguished when the person dies. Property rights, however, would pass on to the person’s estate and heirs. That is the contrast, for example, between the voting rights people have in a democratic organization (a polity, a union, or a cooperative) and the voting rights people have as shareholders in a capitalist corporation. Political voting rights are personal rights that are extinguished when the citizen dies whereas voting corporate stock passes to the person’s heirs.

When the direct control rights over an organization are attached to a certain functional role (e.g. the role of being governed by the organization) then that control is “tied down” and attached

in a non-transferable way to the set of people having that role. In contrast, the ultimate control rights over a capitalist corporation are property rights attached to the voting shares so that ownership can not only change “overnight,” it can also become very concentrated in a few hands.

The ultra-capitalist ideal seems to be to have all rights as marketable property rights (see Nozick, 1974). Then society is like a ship with none of the cargo tied down. Even if the ship starts out with the cargo evenly distributed, any wave will start the cargo shifting to one side. Then the shifting weight will cause even more tilt—which in turn causes more cargo to shift to that side.

A similar social instability would result from having political voting rights as marketable property rights. Even with an equal initial distribution, one vote per person, any disturbance would result in some votes being bought and sold which begins the process of accumulation. Then the resulting political concentration would lead to capturing more wealth, more voting buying, and even more concentration. Soon most of the political votes and power would end up in a few hands. Democracy inherently avoids that sort of accumulation process by “tying down” the voting rights as personal rights attached to the functional role of being governed.

We have just this sort of instability in the economic sphere. Capitalism has structured the profit rights and control rights over corporations—where new wealth is created—as transferable property rights. The resulting instability has accordingly led to an incredibly lopsided distribution of wealth which continues to get worse.

The system of economic democracy ties down the profit and control rights over each firm to the functional role of working in that firm. Since those membership rights are non-transferable and non-inheritable, they cannot become concentrated. Workers come to a democratic firm and eventually leave or retire. They keep as property the profits they earn while working in the firm (even if the profits are retained and paid back to them later), but their membership in the firm is a personal right they enjoy only when they work in the firm.

### *Quarantining Democracy in the Public Sphere*

Since the political democratic revolutions of the eighteenth and nineteenth centuries, the government has been the main provider and guarantor of personal rights. Those who own significant property tend to want as much of society as possible to be organized on the basis of property rights, not personal rights. Hence they want “less government.” Well-intended advocates of extending democratic rights to economic issues want “more government.” This

leads to “democratic socialism” where the government swallows the commanding heights of industry.

This “great debate” is ill-posed. It is based on a pair of false identifications: (1) that the sphere of government (“the public sphere”) is the sole arena for personal rights, and (2) that the sphere of social life outside the government (“the private sphere”) is solely based on private property rights. That is the traditional public/private distinction. Capitalism has used it to quarantine the democratic germ in the public sphere of government, and thus to keep the democratic germ out of industry. Instead of redefining those public/private identifications, democratic state-socialism compounds the error by holding that industry can only be democratized by being nationalized.

The rights to democratic self-determination will not remain forever quarantined in the sphere of government. It is an empirical fact of history that, as a result of the political democratic revolutions, the government was the first major organization in society to be switched over to treating its direct control rights (voting rights) as personal rights. There is otherwise no inherent relationship that restricts the idea of democratic self-determination to the political government. There are a host of other non-government organizations in society, corporations, universities, and a broad range of non-profit corporations, where people are also under an authority relation. The “unalienable rights” to democratic self-determination that we enjoy in the political sphere should not suddenly evaporate in the other spheres of life.

The democratic firm is a model of an organization that is democratic and yet is still “private” in the sense of being non-governmental. The membership rights in a democratic firm are personal rights assigned to the functional role of working in the firm.

### *Redefining “Social” to Recast the Public/Private Distinction*

The old public/private distinction is supported by both capitalists and state-socialists. The former use it to argue that the idea of democracy is inapplicable to private industry, and the latter use it to argue that democracy can only come to industry by nationalizing it. But both arguments are incorrect, and the public/private distinction itself must be recast.

The word “private” is used in two senses: (1) “private” in the sense of being non-governmental, and (2) “private” in the sense of being based on private property. Let us drop the first meaning and retain the second. Similarly “public” is used in two senses: (1) “public” in the sense of being governmental, and (2) “public” in the sense of being based on personal rights. Let us use the second meaning and take it as the definition of “social” (instead of “public”). Thus we have the suggested redefinitions:

Social Institution = Based on Personal Rights  
Private Organization = Based on Property Rights.

By these redefinitions, a democratic firm is a social institution (while still being “private” in the other sense of being not of the government), while a capitalist corporation is a private firm (not because it is also non-governmental but because it is based on property rights).

### *People-based versus Property-based Organizations*

The inheritability test can be used to differentiate personal rights from property rights; personal rights are extinguished when a person dies while property rights are passed on to the heirs. The personal/property rights distinction can be used to classify organizations according to whether the membership rights such as the voting rights are personal or property rights. Consider the membership rights in the following organizations:

- democratic political communities (national, state, or local);
- democratic firms (e.g. worker cooperatives),
- trade unions;
- capitalist corporations; and
- condominium associations.

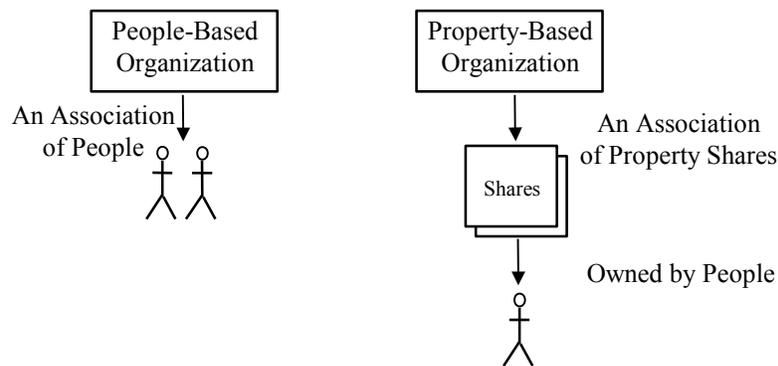
The membership rights in the first three organizational types are personal rights while the membership rights (also called “ownership rights”) in the last two are property rights.

A condominium is an association for the partial co-ownership of housing units (often part of one structure such as an apartment building). The members are the unit-owners. Each unit-owner exclusively owns one or more units, and all the unit-owners through the association own the remaining property in common (e.g. the surrounding grounds). Each unit is assigned a certain percentage of the whole depending on its access to common resources and its drain on common expenses. A unit casts its percentage of the votes and pays that percentage of any common assessments.

A condominium and a capitalist corporation have the common feature that the membership rights are attached to property shares (the units in a condominium and the shares of stock in a corporation) which are owned by persons. In contrast, membership in the other three organizations mentioned above is not obtained through ownership of a piece of property but by personally fulfilling a certain functional role. If an organization is thought of as a molecule made of certain atoms, then the two different organizations have quite different atoms. For the

capitalist corporation and the condominium, the atoms are the property shares (which are owned by people), while for a democratic organization (like the three considered above), the atoms are the people themselves.

We will therefore say that an organization is *people-based* if the membership rights are personal rights (i.e. the atomic building blocks are the people themselves), and that an organization is *property-based* if the membership rights are attached to property shares owned by people.



Two Basic Different Types of Organizations

This useful distinction shows up in ordinary language. In a democracy, the people vote, whereas in a corporation the shares vote, and in a condominium the units vote. In either case, it is people who ultimately cast votes but a citizen casts his or her vote while shareholders cast the votes on their shares and unit-owners cast the votes assigned to their units. The distinction also ties in with the inheritability test. In an association of persons, the death of the person forfeits that membership, but in an association of property shares, the property survives. Thus when a person dies, the heirs do not inherit the person’s political vote but they would inherit any corporate stock or condominium units owned by the deceased.

Another important distinction between a people-based and a property-based organization is in the distribution of ultimate voting rights. In a property-based organization, the most basic “constitutional” voting (say, to adopt the fundamental charter of a corporation) is according to shares. In a people-based organization, the most basic constitutional level of agreement must be based on one-person/one-vote. Moreover since no one can be committed without their consent, the vote must be unanimous. The unanimity requirement is not as restrictive as it seems at first since it may work to determine which people may join an organization. The set of possible members is not necessarily “given” ahead of time. Late joiners need to agree to the basic rules as a condition of joining.

The agreed-upon constitution needs to specify how subsequent decisions will be made. Some later decisions might be delegated to representatives who are selected by some agreed-upon procedure. Other decisions might be put to a vote of the members. In such a second-stage and post-constitutional level of voting, there seems to be no theoretical reason why the voting should be one-person/one-vote—so long as the procedure was agreed to at the constitutional level. Much ink has been spilt on the question of one-person/one-vote in the American worker ownership movement (including by the author). But no convincing basic argument has emerged as to why post-constitutional decision-making in a democratic organization has to be based on the one-person/one-vote rule, or has to be put to a vote at all (as opposed to being a delegated decision). This is not to say that one voting rule is as good as another, but only that fundamental principles do not force the one-person/one-vote rule.

People might belong to many different democratic organizations. Some people might have a very incidental connection to an organization while others might have a central involvement. When the members have agreed on a specific goal, then the members might have very different responsibility for achieving that goal. The members might agree that post-constitutional voting should be based on some measure of a person's contribution or responsibility towards the goal of the organization. For instance in a democratic firm, a person's salary (i.e., share of salary in total salaries) might be taken as a measure of the person's importance to the firm and might be a basis for post-constitutional voting. There might be some psychological resistance to this unequal voting, but, then again, there is also some psychological resistance to unequal salaries in the first place. In the American political system, there is roughly equal voting for candidates to the lower house (the House of Representatives), but there is rather unequal representation in the upper house (the Senate). Each state elects two senators regardless of the size of the state. In a similar manner, one might have different groups in a democratic firm electing representatives to the board of directors. Each person might have the same vote within the group but with different sized groups, there would be unequal representation on the board.

Clearly once an organization gets away from a thorough-going equality rule, then there is room for abuse. One type of abuse would be voting rules that push the organization back towards a property-based organization. For instance, salary is based on the functional role of working in the firm, but the ownership of shares is not. If votes are based on the number of shares owned (e.g., due to using the legal form of a joint stock company) and if shares are freely transferable, then the organization has been converted back into a property-based firm. However, if the number of shares owned is proportional to salary and the shares are not transferable (e.g., are held in a trust), then share-based voting would be compatible with a people-based democratic firm.

## **Democracy Denied by the Employment Contract, not Private Property**

### *The Employment Contract*

We saw in the previous chapter that capitalist production, i.e. production based on the employment contract denies workers the right to the (positive and negative) fruits of their labor. Yet people's right to the fruits of their labor has always been the natural basis for private property appropriation. Thus capitalist production, far from being founded on private property, in fact denies the natural basis for private property appropriation. In contrast, the system of economic democracy based on democratic worker-owned firms restores people's right to the fruits of their labor. Thus democratic firms, far from violating private property, restore the just basis for private property appropriation.

Thus to switch from capitalist firms to democratic firms is a way to transform and perfect the private property system by restoring the labor basis of appropriation. It is not private property that needs to be abolished—but the employment contract. In the switch-over from capitalist firms to democratic firms, the employment relation would be replaced with the membership relation.

A similar picture emerges when the firm is analyzed from the viewpoint of governance rather than property appropriation; the employment contract is the culprit, not private property. The employment contract is the rental relation applied to persons. It is now illegal to sell oneself; workers rent or hire themselves out.

Since slavery was abolished, human earning power is forbidden by law to be capitalized. A man is not even free to sell himself: he must *rent* himself at a wage. (Samuelson, 1976, p. 52 [his italics])

When an entity, a person or a thing, is rented out, then a certain portion of the entity's services are sold. When a car is rented out for a day, a car-day of services are sold. When an apartment is rented out for a month, an apartment-month of services are sold. When a man is rented out for eight hours, eight man-hours of services are sold. The party renting the entity has the ownership of those services which gives that party the direct control rights over the use of the rented entity within the limits of the contract. Thus tenants are free to make their own decisions about using a rented apartment—but only within the constraints set by the rental contract.

It is the same when people are rented. The buyer of the services, the renter of the workers, is the employer. The employer has the direct control rights over the use of those services within the scope of the employment contract. The archaic name for the employer–employee relation is

the “master–servant relation” (language still used in Agency Law). That authority relation is not now and never was a democratic relationship. The employer is not the representative of the employees; the employer does not act in the name of the employees. The right to govern the employees is transferred or alienated to the employer who then acts in his own name; it is not a delegation of authority.

There is the contrasting democratic authority relationship wherein authority is delegated to those who govern from the governed. Those who govern do so in the name of and on behalf of those who are governed. This is the relationship between the managers or governors in a democratic organization (political or economic) and those who are managed or governed.

### *Democratic and Undemocratic Constitutions*

Both authority relations are based on “the consent of the governed.” There are two diametrically opposite types of voluntary contracts or constitutions that can form the basis of constitutional governance:

— the Hobbesian constitution or *pactum subjectionis* wherein the rights of governance are alienated and transferred to the ruler, or

— the democratic constitution wherein the inalienable rights of governance are merely delegated or entrusted to the governors to use on behalf of the governed.

The distinction between these two opposite consent-based authority relations is basic to democratic theory. Sophisticated liberal defenders of undemocratic governments from the Middle Ages onward have argued that government was based on an implicit or explicit social contract of subjugation which transferred the right of governance to the ruler [see Ellerman, 1992 for that intellectual history]. Early proponents of democracy tried to reinterpret the mandate of the ruler as a delegation rather than a transfer.

This dispute also reaches far back into the Middle Ages. It first took a strictly juristic form in the dispute ... as to the legal nature of the ancient “*translatio imperii*” from the Roman people to the Princes. One school explained this as a definitive and irrevocable alienation of power, the other as a mere concession of its use and exercise. ... On the one hand from the people’s abdication the most absolute sovereignty of the prince might be deduced, ... On the other hand the assumption of a mere “*concessio imperii*” led to the doctrine of popular sovereignty. [Gierke, 1966, pp. 93–4]

“Translatio” or “concessio,” transfer or delegation; that is the question.

That question is still with us. As noted previously, the employer is not the delegate or representative of the employees. The employment contract is a *transfer* of the management rights, not a delegation. Thus the employment contract is a limited workplace version of the Hobbesian constitution. The democratic firm is based on the opposite type of constitution, the democratic constitution. The board of directors is the parliament elected by those who are governed. The board selects the top manager (like the prime minister) who in turn assembles the management team. Management governs in the name of and on behalf of the governed.

### *Are Democracy and Private Property in Conflict?*

Economic democracy requires the abolition of the employment relation, not the abolition of private property. But doesn't it require the abolition of the conventional property-based corporation? Isn't that type of corporation undemocratic? Here we must be very careful; the analysis must be much more fine-grained than the crude Marxist slogans about the “private ownership of the means of production.”

The capitalist corporation combines two different functions that must be peeled apart:

- (1) the corporation as a holding company for owning certain assets and liabilities, and
- (2) the corporation as the residual claimant in a production process.

A number of people can pool their assets together and clothe them in a corporate shell by setting up a corporation and putting in their capital assets as equity. That only creates a company in the first sense above. The company is only a holding company for these assets; the company is as yet “uninhabited.” If the corporate assets were just leased out to other parties, that transaction could be handled by the shareholders or their attorneys all without anyone working in the company. The company would remain an asset-holding shell. There is no governance of people, only the administration of things. There is private property, but no employment contract.

It is only when the company wants to undertake some productive activity to produce a product or deliver a service that it would need to hire in employees, buy other inputs, undertake the productive operation, and then sell the resulting product or service. Then the company would be the residual claimant for that operation, bearing the costs and receiving the revenues. It is only in that second role that the corporation becomes an organization for the governance or management of people, the corporate employees. And it acquires that role precisely because of the employment contract. The employment contract is the Archimedean point that moves the capitalist world. From the conceptual viewpoint, the *capitalist* corporation is a “wholly owned subsidiary” of the employment contract.

We have differentiated the roles of private property and the employment contract in the capitalist corporation. Without the employment contract, the corporation as an asset-holding shell is comparable to a condominium. The tenants in a condominium unit (whether a unit-owner or a renter) are not under the authority of the condominium association. The tenant has the direct control rights over the use of the apartment-unit within the constraints specified by the condominium rules (and the rental contract if the apartment is rented out).

In a similar fashion, an uninhabited asset-owning company might lease its assets out to other parties. The company would not have an authority relation (i.e. direct control rights) over the lessees. The lessees could use the leased assets within the constraints of the lease contract.

Is a capitalist corporation undemocratic? In which role? In its role as a depopulated asset-holding shell, it does not have an authority relation over any people at all. It would not then be an organization for the governing of people, only for the management of property. It thus would be neither democratic nor undemocratic since no people were governed. When a farmer manages his farmland property, we do not ask if he does so democratically or undemocratically since the management of his property does not involve an authority relationship over other people. In the same fashion, we may say that a conventional corporation that is without any employment contract and that operates solely as an asset-holding shell is neither democratic nor undemocratic. Yet it is a privately owned property-based organization. Thus there is no inherent conflict between “the private ownership of the means of production” and democratic rights in the workplace.

A conventional corporation only takes on an authority relation over people when it hires them as employees (managers or blue-collar workers). And, as we have seen, there *is* a conflict between democratic rights and the employment contract. Thus democratic rights require not the abolition of the private ownership of the means of production but of the employment contract. They require that conventional corporations not be abolished but only “depopulated” as a result of the abolition of the employment relation. To be employed productively, the assets would have to be leased to a democratic firm.

The reversal of the contract between capital and labor (so that labor hires capital) could also take place by internally restructuring a capitalist corporation as a democratic firm with the old shareholders’ securities being restructured as participating debt securities.

Democracy can be married with private property in the workplace; the result of the union is the democratic worker-owned firm.

## The *De Facto* Theory of Inalienable Rights

The analysis of capitalist production based on the labor theory of property (see previous chapter) culminated in an argument that the employment contract was a juridically invalid contract. It pretends to alienate that which is *de facto* inalienable, namely a person's *de facto* responsibility for the positive and negative results of his or her actions. This *de facto* inalienability of responsibility was illustrated using the example of the employee who commits a crime at the command of the employer. Then the legal authorities intervene, set aside the employment contract, and recognize the fact that the employee and employer cooperated together to commit the crime. They are jointly *de facto* responsible for it, and the law accordingly holds them legally responsible for it.

When the joint venture being carried out by employer and employees is not criminal, the employees do not suddenly become *de facto* instruments. However, the law then does not intervene. It accepts the employees' same *de facto* responsible cooperation with the employer as "fulfilling" the contract. The employer then has the legal role of having borne the costs of all the used-up inputs including the labor costs, so the employer has the undivided legal claim on the produced outputs. Thus the employer legally appropriates the whole product (i.e. the input-liabilities and the output-assets).

The critique does not assert that the employment contract is involuntary or socially coercive. The critique asserts that what the employees do voluntarily (i.e. voluntarily co-operate with the employer) does not fulfill the employment contract. Labor, in the sense of responsible human action, is *de facto* non-transferable, so the contract to buy and sell labor services is inherently invalid. The rights to the positive and negative fruits of one's labor are thus inalienable rights.

This argument is not new; it was originally developed by radical abolitionists as a critique of the voluntary self-sale contract and it was the basis for the antislavery doctrine of inalienable rights developed during the Enlightenment. The employment contract is the self-rental contract, the contract to sell a limited portion of one's labor—as opposed to selling all of one's labor, "rump and stump" [Marx, 1906, p. 186] as in the self-sale contract. But *de facto* responsibility does not suddenly become factually transferable when it is "sold" by the hour or day rather than by the lifetime. Thus economic democrats are the modern abolitionists who apply the same inalienable rights critique to the employment contract that their predecessors applied to the self-sale contract.

This *de facto* theory of inalienable rights was also developed as a part of democratic theory. There it was directed not against the individual self-enslavement contract but against the collective version of the contract, the Hobbesian *pactum subjectionis*. In questions of

governance (as opposed to production), the emphasis is on decision-making (as opposed to responsibility). But the basic facts are the same. Decision-making capacity is *de facto* inalienable. A person cannot in fact alienate his or her decision-making capacity just as he or she cannot alienate *de facto* responsibility. “Deciding to do as one is told” is only another way of deciding what to do.

Here again it is useful to contrast what one can do with oneself with what one can do with a thing such as a widget-making machine. When the machine is leased out to another individual, the machine can in fact be turned over to be employed by that “employer.” The employer can then use the machine without any personal involvement of the machine-owner. The employer is solely *de facto* responsible for the results of said use. Furthermore, the employer has the direct control rights over the use of the machine. The employer decides to use the machine to do X rather than Y (within the scope of the lease contract), and the machine-owner is not involved in that decision making. Thus decision-making about the particular use of the machine and the responsibility for the results of the machine’s services are *de facto* alienable from the machine-owner to the machine-employer.

The employment contract applies the same legal superstructure to the very different case when the worker takes the place of the machine. Then the decision-making and the responsibility for the results of the services is not *de facto* transferable from the worker to the employer.

People cannot in fact alienate or transfer decision-making capability—but persons can delegate the authority to make a decision to other persons acting as their representatives or agents. The first persons, the principals, then accept and ratify the decisions indicated by their delegates, representatives, or agents.

The Hobbesian *pactum subjectionis* is the political constitution wherein a people legally alienate and transfer their decision-making rights over their own affairs to a Sovereign (see Philmore, 1982 reprinted in Ellerman, 1995, Chapter 3 for an intellectual history of the *liberal* contractarian defense of slavery and autocracy). Since human decision-making capability is *de facto* inalienable, Enlightenment democratic theory argued that the Hobbesian contract was inherently invalid.

There is, at least, *one* right that cannot be ceded or abandoned: the right to personality. Arguing upon this principle the most influential writers on politics in the seventeenth century rejected the conclusions drawn by Hobbes. They charged the great logician with a contradiction in terms. If a man could give up his

personality he would cease being a moral being... This fundamental right, the right to personality, includes in a sense all the others. To maintain and to develop his personality is a universal right. It ... cannot, therefore, be transferred from one individual to another... There is no *pactum subjectionis*, no act of submission by which man can give up the state of a free agent and enslave himself. (Cassirer 1963, p. 175)

The employment contract can be viewed both as a limited individual version of the rump-and-stump labor contract (the self-sale contract) and as a limited economic version of the Hobbesian collective contract. The employees legally alienate and transfer to the employer their decision-making rights over the use of their labor within the scope of their employment. Thus the other branch of inalienable rights theory, the critique of the Hobbesian contract, can also be applied against the employment contract.

The critique of the employment contract based on the *de facto* inalienability of responsibility and decision-making thus descends to modern times from the abolitionism and democratic theory of the Enlightenment which applied the critique to the self-sale contract and the *pactum subjectionis*.

# Chapter 3: *The Democratic Firm*

## **Theoretical Basis for the Democratic Firm**

### *The Democratic Principle and the Labor Theory*

We now start the descent from first principles—the labor theory of property and democratic theory—down to the structure of the democratic worker-owned company.

In the world today, the main form of enterprise is based on renting human beings (privately or publicly). Our task is to construct the alternative. In the alternative type of firm, employment by the firm is replaced with membership in the firm. How can the corporation be taken apart and reconstructed without the employment relation? How can the labor principle at the basis of private property appropriation be built into corporate structure? How can the democratic principle of self-governance be built into corporate structure?

In a capitalist corporation, the shareholders own, as property rights, the conventional ownership bundle of rights.

The Conventional Ownership Bundle (partitioned into two parts)

Residual claimant or membership rights (#1 & #2) =	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) =	3. Net asset rights to the net value of the current corporate assets and liabilities.

Restructuring the corporation to create a democratic firm does not mean just finding a new set of owners (such as the “employees”) for that bundle of rights. It means taking the bundle apart and restructuring the rights so that the whole nature of “corporate ownership” is changed.

The democratic firm is based on two fundamental principles:

*Democratic principle of self-government*: people's inalienable right to self-govern all of their human activities (political or economic), and

*Labor theory of property*: people's inalienable right to appropriate the (positive and negative) fruits of their labor.

These two principles are correlated respectively with the first two rights in the conventional ownership bundle:

- the voting rights and
- the residual or net income rights

which are attached to the pure (current) residual claimant's role and which will be called the *membership rights*. We will see that:

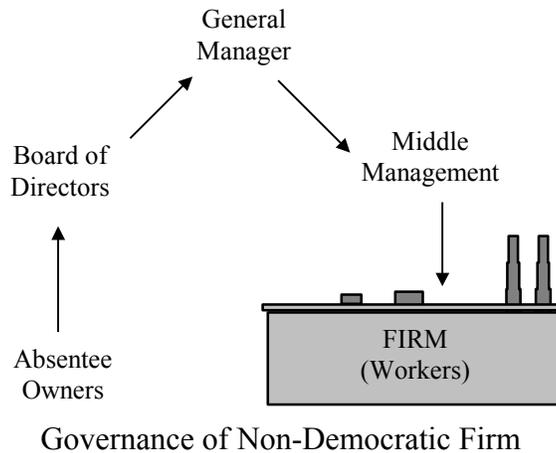
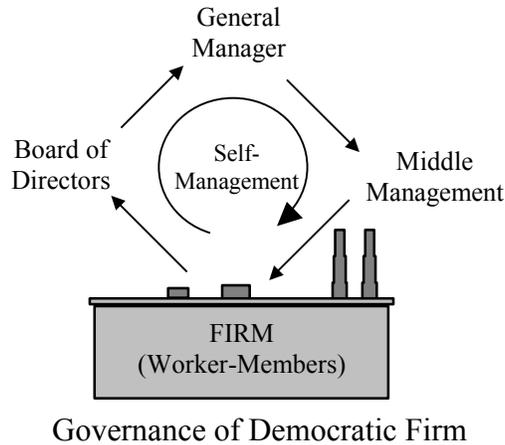
the democratic principle implies that the voting rights should be assigned to the workers, and the labor theory of property implies that the residual rights should be assigned to the workers.

#### *Implementing the Democratic Principle in an Organization*

How are the two fundamental principles realized in the design of organizations?

The principle of democratic self-government or self-management is built into the structure of an institution by assigning the right to elect the governors to the functional role of being governed.

The only people who are under the authority of the management (i.e. who take orders from the managers) of an economic enterprise are the people who work in the enterprise. Therefore the democratic principle is implemented in a firm by assigning to the people who work in the firm the voting rights to elect those managers (or to elect the board that selects the managers).



In contrast, the ultimate control rights in a non-democratic firm are not held by those who are governed.

Note that the democratic principle assigns the right to elect those who govern to those who are *governed*. There are a number of outside groups whose rightful interests (i.e. property or personal interests protected by rights) are only *affected* by company activities such as the consumers, shareholders, suppliers, and the local residents. By what we called the “affected interests principle,” those outside interests should be protected by a voluntary interface between the enterprise and the affected parties. By the market relationship (where more choice between firms is preferred to less), customers and suppliers can largely protect their interests. For externalities such as pollution, governments can establish emission restrictions, pollution taxes, or subsidies for pollution control equipment.

The democratic principle assigns the direct control right giving the ultimate authority for governance decisions to the governed. Since the external parties do not fall under the authority

of the management of the firm (that is, do not take orders from the managers), the democratic principle does not assign the external parties a direct control right to elect that management.

In summary,

*Affected Interests Principle*: the veto to those only affected,

*Democratic Principle*: the vote to those who are governed.

### *Implementing the Labor Theory in an Organization*

The “*labor theory*” has always had two quite different interpretations:

(A) as a *theory of value* holding that price or value is determined by labor, and

(B) as a *theory of property* holding that workers should get the fruits (both positive and negative) of their labor.

Neo-classical economics has focused on the labor theory of value as a theory of price, but it is “the labor theory” as a theory of property, that is, the *labor theory of property*, that determines the structure of property rights in a democratic firm.

The positive fruits of the labor of the people working in an enterprise (workers including managers) are the new assets produced as outputs which could be represented as Q. The negative fruits of their labor are the liabilities for the inputs used up in the production process. The used-up inputs could be represented by K (all non-labor inputs such as capital services and the services of land).

The firm as a corporate entity legally owns those assets Q and holds those liabilities for the used-up K. Therefore the people who work in a firm will jointly appropriate the positive and negative fruits of their joint labor when *they* are the legal members of the firm.

The labor theory of property is implemented in the legal structure of a company by assigning the residual rights to the functional role of working in the company.

If P is the unit price of the outputs Q and R is the unit rental rate for the input services K, then the residual  $PQ - RK$  is the revenue minus the non-labor costs. In a democratic firm, that residual would be the labor income accruing to the workers as wages and salaries paid out during the year and as surplus or profits determined at the end of the fiscal year. Thus both “wages” and “profits” are labor income; there is only a timing difference between them.

## The Democratic Labor-based Firm

### *Definition of the Legal Structure*

In a capitalist corporation, the membership rights (voting and profit rights) are part of the property rights attached to the shares which are transferable on the stock market or in private transactions. In a democratic firm, the membership rights are not property rights at all; they are personal rights assigned to the functional role of working in the firm, i.e. assigned to the workers as workers (not as capital suppliers).

In particular, the democratic principle states that the right to elect those who govern or manage (for example, the municipal government) should be assigned to the functional role of being governed or managed (e.g. living in the municipality). Hence the democratic principle assigns the voting rights to elect the board of directors to the workers as their personal rights (because they have the functional role of being managed). After an initial probationary period, it is “up or out”; a worker is either accepted into membership or let go so that all long-term workers in the firm are members. Upon retiring or otherwise leaving the firm, the member gives up the membership rights so that the votes always go to those being governed.

In a similar manner, the labor theory of property states that the rights to the produced outputs (Q) and the liabilities for the used-up inputs (K) should be assigned to the functional role of producing those outputs and liabilities. Hence the labor theory assigns the residual rights to the workers as their personal rights (because they have the functional role of producing those outputs and using up those inputs). If a worker left enterprise A and joined firm B, then he or she would forfeit any share in the future residual of A (since he or she ceased to produce that residual) and would gain a residual share in firm B.

The democratic principle and the labor theory of property are thus legally institutionalized in a corporation by assigning the two membership rights, the voting rights and the residual claimant rights, to the functional role of working in the firm. When membership rights are thus assigned to the role of labor, then the rights are said to be *labor-based*. When membership rights are owned as property or capital, the membership rights are to be *capital-based* or *capital-ist* even when those rights are owned by the employees. In the democratic labor-based firm, the workers are the masters of their enterprise—and they are the masters *as workers*, not as “small capitalists.”

The third set of rights in the conventional ownership bundle, the net asset rights (i.e., the rights to the net value of the current assets and liabilities), are quite different. They represent the value of the original endowment plus the value of the past fruits of the labor of the firm’s current

and past members reinvested in the firm. The rights due to the members' past labor should be respected as property rights eventually recoupable by the current and past members.

The job of restructuring the conventional ownership bundle to create the legal structure of a *democratic firm* (also “democratic labor-based firm” or “democratic worker-owned firm”) can now be precisely specified.

#### Restructured Ownership Bundle in a Democratic Firm

Membership rights (#1 & #2) assigned as personal rights to worker's role.	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) are property rights recorded in internal capital accounts.	3. Net asset rights to the net value of the current corporate assets and liabilities.

The first two rights, the voting and residual rights, i.e. the membership rights, should be assigned as personal rights to the functional role of working in the firm. The third right to the value of the net assets should remain a property right recoupable in part by the current and past members who invested and reinvested their property to build up those net assets (see the later discussion of internal capital accounts).

#### *The Social Aspects of Democratic Labor-based Firms*

The democratic labor-based firm does not just supply a new set of owners for the conventional ownership bundle of rights. It completely changes the nature of the rights and thus the nature of the corporation.

Who “owns” a democratic labor-based firm? The question is not well-posed—like the question of who “owns” a freedman. The conventional ownership bundle has been cut apart and restructured in a democratic firm. The membership rights were completely transformed from property or ownership rights into personal rights held by the workers. Thus the workers do hold the “ownership rights” but not *as ownership rights*; those membership rights are held *as personal rights*. Thus it may be more appropriate to call the workers in a democratic firm “members” rather than “owners.” Nevertheless, they are the “owners” in the sense they do hold the “ownership rights” (as personal rights), and it is in that sense that we can call a democratic labor-based firm a “worker-owned firm.”

The change in the nature of the membership rights from property rights to personal rights implies a corresponding change in the nature of the corporation itself. No longer is it “owned” by anyone. The “ownership” or membership rights are indeed held by the current workers (so

they will self-manage their work and reap the full fruits of their labor) but they do not own these rights as their property which they need to buy or can sell. The workers qualify for the membership rights by working in the firm (beyond a certain probationary period) and they forfeit those rights upon leaving.

Since those membership rights are not property which could be bought or sold, the democratic labor-based corporation is not a piece of property. It is a *democratic social institution*.

It is useful to contrast the democratic labor-based corporation with a democratic city, town, or community. It is sometimes thought that, say, a municipal government is “social” because it represents “everyone” while a particular set of workers in an enterprise is “private” because that grouping is not all-inclusive. But no grouping is really “all-inclusive”; each city excludes the neighboring cities, each province excludes the other provinces, and each country excludes the other countries. Only “humanity” is all-inclusive—yet no government represents all of humanity.

Governments are “all-inclusive” in that they represent everyone who legally resides in a certain *geographical* area, the jurisdiction of the local, state, or national government. But the management of a democratic firm is *also* “all-inclusive” in that it represents everyone who works in the enterprise. It is a community of those who *work* together, just as a city or town is a community of those who *live* together in a certain area. Why shouldn’t a grouping of people together by common labor be just as “social” as the grouping of people together by a common area of residence?

The genuinely “social” aspect of a democratically governed community is that the community itself is not a piece of property. The right to elect those who govern the community is a personal right attached to the functional role of being governed, that is, to legally residing within the jurisdiction of that government. Citizens cannot buy those rights and may not sell those rights—they are personal rights rather than property rights.

In contrast, consider a town, village, or protective association (see Nozick, 1974) that was “owned” by a prince or warlord as his property, a property that could be bought and sold. That would be a “government” of a sort, but it would not be a *res publica*; that “government” would not be a social or public institution.

The democratic corporation is a social community, a community of work rather than a community of residence. It is a republic or *res publica* of the workplace. The ultimate governance rights are assigned as personal rights to those who are governed by the management, that is, to the people who work in the firm. And in accordance with the property rights version

of the “labor theory of value,” the rights to the residual claimant’s role are assigned as personal rights to the people who produce the outputs by using up the inputs of the firm, that is, to the workers of the firm. This analysis shows how a firm can be socialized and yet remain “private” in the sense of not being government-owned.

### **Capital Rights in Democratic Firms**

#### *What About the Net Asset Value of a Corporation?*

We have so far focused most of our attention on the membership rights (the first two rights in the ownership bundle) in our treatment of the democratic firm. Now we turn to the third right, the right to the net asset value. That is the hard one. One of the most important and most difficult aspects of enterprise reform is again in the treatment of those property rights.

The value of that third right is the net asset value, the value of the assets (depreciated by use but perhaps with adjustments for inflation) minus the value of the enterprise’s liabilities. The net asset value may or may not be approximated by the net *book* value depending on the bookkeeping procedures in use [see Ellerman, 1982 for a treatment of such accounting questions]. Of more importance, the net asset value is not the same as the so-called “value of a [capitalist] corporation” even if all the assets have their true market values. The “value of a corporation” is the net asset value *plus* the net value of the fruits of all the future workers in the enterprise [see Ellerman 1982 or 1986 for a formal model]. In a democratic firm, the net value of the fruits of the future workers’ labor should accrue to those future workers, not the present workers. Hence our discussion of the capital rights of the current workers quite purposely focuses on the net asset value, not the “value of the corporation.”

The net asset value arises from the original endowment or paid-in capital of the enterprise plus (minus) the retained profits (losses) from each year’s operations. Thus it is not necessarily even the fruits of the labor of the current workers; the endowment may have come from other parties and the *past* workers who made the past profits and losses. Hence the third right, the right to the net asset value, should *not* be treated as a personal right attached to the functional role of working in the firm.

There is considerable controversy about how the net asset value should be treated. One widespread socialist belief is that the net asset value must be collectively owned as in the English common-ownership firms or the former Yugoslav self-managed firms; otherwise there would be “private ownership of the means of production.” To analyze this view, it must first be recalled that the control (voting) and profit rights have been partitioned away from the rights to the net asset value. The phrase “private ownership of the means of production” usually does include

specifically the rights to control and reap the profits from the means of production. But those rights have been restructured as personal rights assigned to labor in the democratic firm. Hence the remaining right to the net asset value does *not* include the control and profit rights traditionally associated with “equity capital” or with the “ownership of the means of production.”

Let us suppose that it is still argued that any private claim (for example, by past workers) on the net asset value of a democratic firm would be “appropriating social capital to private uses.” This argument has much merit for that portion of the net asset value that comes from some original social endowment. But what about that portion of the net asset value that comes from retained earnings in the past?

In a democratic firm, the past workers could, in theory, have used their control and profit rights to pay out all the net earnings instead of retaining any in the firm. Suppose they retained some earnings to finance a machine. Why should those workers lose their claim on that value—except as they use up the machine? Why should the fruits of their labor suddenly become “social property” simply because they choose to reinvest it in their company?

Consider the following thought-experiment. Instead of retaining the earnings to finance a machine, suppose the workers paid out the earnings as bonuses, deposited them all in one savings bank, and then took out a loan from the bank to finance the machine using the deposits as collateral. Then the workers would not lose the value of those earnings since that value is represented in the balance in their savings accounts in the bank. And the enterprise still gets to finance the machine. Since the finance was raised by a loan, there was no private claim on the social equity capital of the enterprise and thus no violation of “socialist principles.” The loan capital is capital hired by labor; it gets only interest with no votes and no share of the profits.

Now we come to the point of the thought-experiment. How is it different in principle if we simply leave the bank out and move the workers’ savings accounts into the firm itself? Instead of going through the whole circuitous loop of paying out the earnings, depositing them in the bank’s savings accounts, and then borrowing the money back—suppose the firm directly retains the earnings, credits the workers’ savings accounts in the firm, and buys the machine. The capital balance represented in the savings accounts is essentially *loan* capital. It is hired by labor, it receives interest, and it has no votes or profit shares. Such accounts have been developed in the Mondragon worker cooperatives, and they are called *internal capital accounts*.

One lesson of this thought-experiment is that once the control and profit rights have been separated off from the net asset value, any remaining claim on that value is essentially a debt claim receiving interest but no votes or profits. “Equity capital” (in the traditional sense) *does not exist* in the democratic firm; *labor* has taken on the residual claimant’s role.

### *Capital Accounts as Flexible Internal Debt Capital*

Internal capital accounts for the worker-members in a democratic corporation are a form of debt capital. Labor is hiring capital, and some of the hired capital is provided by the workers themselves and is recorded in the internal capital accounts. These internal capital accounts represent *internal debt capital* owed to members, as opposed to *external* debt owed to outsiders. Instead of debt and equity as in a conventional corporation, a democratic firm with internal capital accounts has external and internal debt.

How does internal debt differ from external debt, and how does an internal capital account differ from a savings account? Any organization, to survive, must have a way to meet its deficits. There seem to be two widely used methods: (1) tax, and (2) lien. Governments use the power to tax citizens, and unions similarly use the power to assess or tax members to cover their deficits. Other organizations place a lien on certain assets so that deficits can be taken out of the value of those assets. For instance, it is a common practice to require damage deposits from people renting apartments. Damages are assessed against the deposit before the remainder is returned to a departing tenant.

A free-standing democratic firm must similarly find a way to ultimately cover its deficits. Assuming members could always quit and could not then be assessed for possible losses accumulating in the current year, the more likely method is to place a lien against any money owed to the member by the firm. Each member's share of the losses incurred while the worker was a member of the firm would be subtracted from the firm's internal debt or internal capital account balance for the member. This procedure would be agreed to in the constitution or ground rules of the democratic firm. Losses, of course, may not be subtracted from the external debts owed to outsiders. Hence internal debt in a democratic firm would have the unique characteristic of being downward flexible or "soft" in comparison with external "hard" debt. It is thus also different from a savings account in a bank which would not be debited for a part of the bank's losses.

In the comparison between a democratic firm and a democratic political government, the firm's liabilities are analogous to the country's national debt. The internal capital accounts, as internal debt capital, are analogous to the domestic portion of the national debt owed to the country's own citizens. The differences arise because of the two different methods of covering deficits. The firm uses the lien method while political governments rely on the power to tax.

The firm's lien against a member's internal capital account also motivates the common practice of requiring a fixed initial membership fee to be paid in from payroll or out of pocket.

Then there is an initial balance in each member's account to cover a member's share of losses during his or her first year of work.

Profits or year-end surpluses, like losses or year-end deficits, would be allocated among the members in accordance with their labor, not their capital, since labor is hiring capital and is thus the residual claimant. The labor of each member is commonly measured by their wage or salary, or, in some cases, by the hours regardless of the pay rate. In worker cooperatives, that measure of each member's labor is called "patronage" and net earnings are allocated in accordance with labor patronage.

When the net earnings are negative, the losses are allocated between the capital accounts in accordance with labor. Thus the system of internal capital accounts provides a risk-absorbing mechanism with a labor-based allocation of losses.

### *The Internal Capital Accounts Rollover*

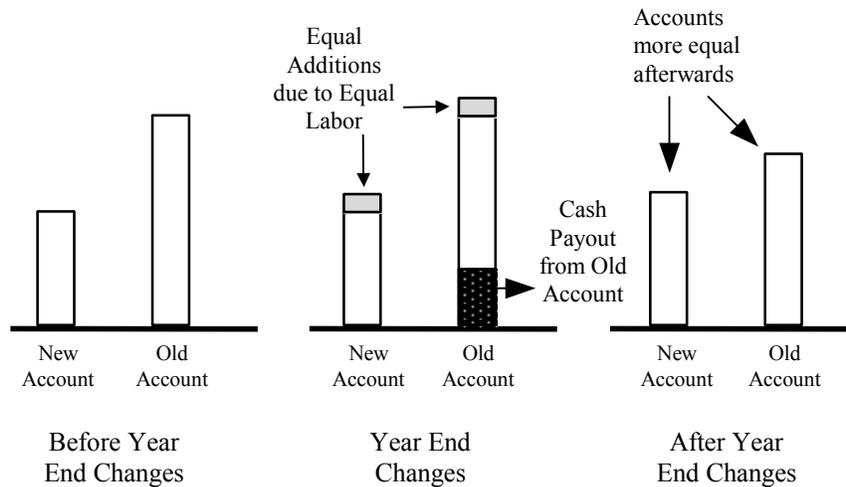
"Allocation" is not the same thing as cash distribution. There are good practical arguments for *not* paying out current profits as current labor dividends. The immediate payout of current profits promotes a "hand-to-mouth" mentality and fails to tie the workers' interests to the long term interests of the enterprise. By retaining the profits and crediting that value to the capital accounts, the workers need to insure that the enterprise prospers so their value can eventually be recovered.

When should the accounts be paid out? One idea is to leave the account until the worker retires or otherwise terminates work in the enterprise, and then to pay out the account over a period of years. There are several reasons why that termination payout scheme is not a good idea.

By waiting until termination or retirement for the account payout, the accounts of the older workers would be much larger than those of the younger workers and thus the older workers would be bearing a grossly unequal portion of the risk. Risk-bearing should be more equally shared between the older and younger workers. Moreover, it would create an incentive for the older and better trained workers to quit in order to cash out their account and reduce their risks. For young workers, retirement is too distant a time horizon. Current profits would be an almost meaningless incentive for them if the profits could not be recovered until retirement. And finally cash flow planning would be difficult if the cash demands of account payouts were a function of unpredictable terminations.

These problems with the termination payout scheme are alleviated by an "account rollover scheme" wherein the account entries are paid out after a fixed time period. The allocations to the

accounts are dated. Cash payouts should be used to reduce the older entries in the capital accounts. If an account entry has survived the risk of being debited to cover losses for, say, five years, then the entry should be paid out. That is sometimes called a “rollover” (as in rolling over or turning over an inventory on a first-in-first-out or FIFO basis) and it tends to equalize the balances in the capital accounts and thus equalize the risks borne by the different members.



Internal Capital Account Rollover

Current retained labor patronage allocation adds to all members’ accounts (equal additions assumed in the above illustration), and then the cash payouts reduce the balance in the larger and older accounts—thereby tending to equalize all the accounts. The incentive to terminate is relieved since the account entries are paid out after the fixed time period whether the member terminates or not. And cash flow planning is eased since the firm knows the payout requirements, say, five years ahead of time.

Instead of receiving wages and current profit dividends, workers would receive wages and the five-year-lagged rollover payments. New workers would not receive the rollover payments during their first five years. They would be, as it were, paying off the “mortgage” held by the older workers—without being senior enough to start receiving the “mortgage payments” themselves.

*A Collective Internal Capital Account*

In a socialist country, some of a democratic firm’s net asset value might be endowed from a governmental unit, and there is no reason why that value should ultimately accrue to the workers of

the enterprise. Hence there should be a *collective account* to contain the value of the collective endowment not attributable to the members.

Assets	Liabilities
Cash	External Debts
Inventory	Internal Capital Accounts
Equipment	(internal debts)
Real Estate	Collective Account

#### Balance Sheet with Internal Capital Accounts

The net asset value (defined as the value of the assets minus the value of the external debts) equals the sum of the balances in the individual capital accounts and the collective account. Two other accounts, a temporary collective account called a “suspense account” and a “loan balance account,” will be introduced in the later model of a hybrid democratic firm in order to accommodate ESOP-type transactions.

There is another reason for a collective account, namely, self-insurance against the risks involved in paying out the members’ capital accounts. After retirement, the enterprise must pay out to a member the remaining balance in the worker’s capital account. In an uncertain world, it would be foolish to think that an enterprise could always eventually pay out 100 per cent of its retained earnings. Any scheme to finance that payout would have to pay the price of bearing the risk of default. One option is always self-insurance. Instead of promising to ultimately pay back 100 per cent of retained earnings to the members, the firm should only promise, say, a 70 per cent or a 50 per cent payback. That is, 30 per cent to 50 per cent of the retained earnings could always be credited as a “self-insurance allocation” to the collective account, and that would serve to insure that the other 70 per cent to 50 per cent could ultimately be paid back to the members.

The self-insurance allocation should also be applied to losses. That is, when retained earnings are negative, 30 per cent to 50 per cent should be debited to the collective account with the remaining losses distributed among the members’ individual capital accounts in accordance with labor patronage. Thus the self-insurance allocation would dampen both the up-swings and down-swings in net income.

The current members of a democratic firm with a large collective account should not be allowed to appropriate the collective account by voluntary dissolution (after paying out their

individual accounts). Any net value left after liquidating the assets and paying out the external and internal debts should accrue to charitable organizations or to *all* past members.

### *Financing Internal Capital Account Payouts*

In an economy where all firms were organized as democratic labor-based firms, there would be no equity capital markets since membership rights would not be property rights at all. However, there could and should be a vigorous market in debt capital instruments such as bonds, debentures, and even variable interest or “participating” debt securities.

How can democratic firms finance the payouts of their internal capital accounts? For a debt instrument with a finite maturity date, a company must eventually pay out the principal amount of the loan. However, a capitalist firm does not have to ever pay out the issued value of an equity share. A democratic firm could obtain the same effect by issuing perpetual debt instruments which pay interest but have no maturity date. Such a debt security is called a *perpetuity* or a *perpetual annuity* [see Brealey and Myers, 1984]. If the firm ever wants to pay off the principal value of a perpetuity, it simply buys it back.

A democratic firm could use perpetuities to pay out the rollover or the closing balance in an internal capital account. To increase the perpetuity’s resale value on debt markets, many firms could pool the risks by issuing the perpetuities through a government, quasi-public, or cooperative financial institution or bank.

The pooling bank would pay a lower interest rate on the face value of the perpetuity than the firms pay to it; the difference between the interest rates would cover the risks of default and the transactions costs. The allocation to the collective account for the purpose of self-insurance would not then be necessary since the cost of risk would be borne by the firm in the form of the interest differential. Since the perpetuities would be guaranteed by the pooling institution (not the firm), workers could resell them without significant penalty.

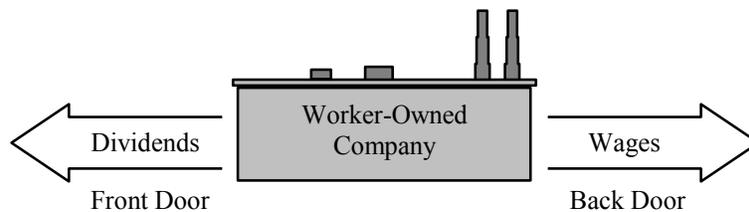
The balance in a worker’s internal capital account is a property right, not a personal right. For instance, if a worker-member dies, his or her vote and right to a residual share are extinguished but the right to the balance in the account passes to the heirs. Since the balance in the account is a property right, why can’t the worker sell it? The only reason is the lien the enterprise has against the account to cover the worker’s share of future losses (while the worker is a member). But if the balance is large enough (in spite of the rollover) or the worker is near enough to retirement, then part of the account *could* be paid out in salable perpetuities (in addition to the rollover payouts). Internal capital accounts could also be paid out using *variable income* or “participating” securities.

### *Participating Securities*

Since democratic organizations can only issue debt instruments, greater creativity should be applied to the design of new forms of corporate debt. Some risks could be shared with creditors by a reverse form of profit-sharing where the interest rate was geared to some objective measure of enterprise performance.

In a worker-owned firm, conventional preferred stock would not work well since it is geared to common stock. Ordinarily, common stockholders can only get value out of the corporation by declaring dividends on the common stock. Preferred stock has value because it is “piggy-backed” onto the common stock dividends. Dividends up to a certain percentage of face value must be paid on preferred stock before any common stock dividends can be paid. Preferred stockholders do not need control rights since they can assume the common stockholders will follow their own interests.

The preferred stockholders are like tax collectors that charge their tax on any value the common stockholders take out the front door. But that theory breaks down if the common stockholders have a *back door*—a way to extract value from the company without paying the tax to the preferred stockholders.



The Back Door Problem

That is the situation in a worker-owned company where the employees own the bulk of the common stock. They can always take their value out the “back door” of wages, bonuses, and benefits without paying the “tax” to the preferred stockholders. Hence the valuation mechanism for preferred stock breaks down in worker-owned companies. For similar reasons, absentee ownership of a minority of common stock would not make much sense in a worker-owned company; the workers would have little incentive to pay common dividends out the front door to absentee minority shareholders when the back door is open. *Discretionary* payments won’t be made out the front door when the back door is open.

There are two ways to repair this problem in worker-owned companies:  
— charge the preferred stock “tax” at all doors (front and back), or

— make the payout to preferred stockholders more mandatory and thus independent of what goes out the doors.

The first option leads to a form of non-voting preferred stock that would be workable for worker-owned companies where the preferred “dividend” is required and is geared to some other measure of the total value accruing to the worker-owners.

The second option pushes in the direction of a debt instrument—perhaps with a variable income feature. The interest could be variable but mandatory, geared to the company’s “value-added” (revenue minus non-labor costs) to establish a form of profit-sharing in reverse (labor sharing profits with capital).

The two resulting conceptions are about the same: a non-voting preferred stock with a required “dividend” geared to some measure of the workers’ total payout, and a perpetual bond with a variable return geared to value-added. Debt-equity hybrids are sometimes called “dequity.” This general sort of non-voting, variable income, perpetual security could be called a *participating dequity security* since outside capital suppliers participate in the variability of the value-added. Jaroslav Vanek [1977, Chapter 11] describes a similar “variable income debenture” and Roger McCain [1977, pp. 358-9] likewise considers a “risk participation bond.”

A debt instrument where interest is only payable if the company has a certain level of net income is called an “income bond” [see Brealey and Myers, 1984, p. 519]. Dividends on preferred and common stock is paid at the discretion of the board of directors whereas the interest on an income bond *must* be paid if the company has a pre-specified level of accounting net income.

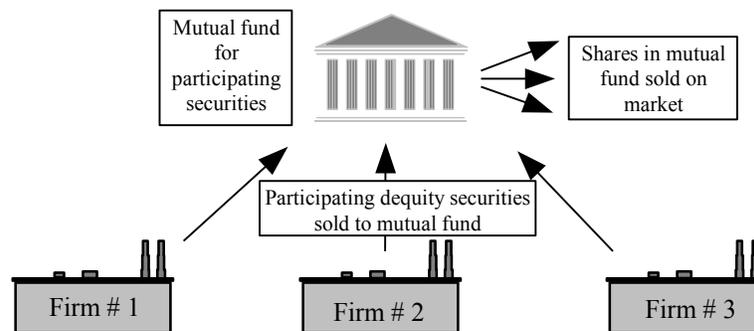
There is also a special type of income bond with two levels of interest; some interest is fixed, and then an additional interest or “dividend” is only payable if the company has sufficient income. These partly fixed-interest and partly variable-interest bonds are called “participating bonds” or “profit-sharing bonds” [Donaldson and Pfahl, 1963, p. 192]. A participating perpetuity would be a perpetual security with the participation feature.

Could large public markets be developed for such participating securities? Yes, such securities would closely approximate the dispersed equity shares in the large public stock markets in the United States and Europe. With the separation of ownership and control in the large quoted corporations, the vote is of little use to small shareholders. The notion that a publicly-quoted company can “miss a dividend” means that the dividend is sliding along the scale from being totally discretionary towards being more expected or required. Thus dispersed equity shares in large quoted corporations already function much like non-voting, variable

income, perpetual securities, i.e. as participating equity securities. Thus public markets in participating equity securities not only can exist but in effect already do exist.

### *Mutual Funds for Participating Securities*

It was previously noted that the market value of fixed-income securities would be enhanced if they were issued by a financial intermediary which could pool together the securities of a number of enterprises.



Pooling Participating Securities in a Mutual Fund

That application of the “insurance principle” would reduce the riskiness of the mixed-interest participating securities. There could be a “mutual fund” or “unit trust” that pools together the participating securities of enterprises it felt had good profit potential. Risk-taking individuals could buy securities directly from companies, while more risk-averse individuals could buy shares of mutual funds that pooled together participating securities from many companies.

Workers receiving participating securities from their company could sell them directly for cash, hold them and receive interest, or could swap them for shares in the mutual fund carrying that company’s participating securities which could then be held or sold.

The participating securities also reduce risk for the company. The variable interest portion automatically reduces the interest charges when the company takes a downturn. The security-holder then gets less so the security-holder has shared the risk. The interest charges go up when the firm does well—but not beyond the maximum variable-interest cap. Thus the participating securities work to reduce the variance or variability of the net income for the company as a whole. Participating equity securities allow democratic firms to utilize the risk allocative efficiency of public capital markets without putting the membership rights up for sale.

Aside from diversifying risk, the other major use of participating securities is to pay out the internal capital accounts of workers due to receive a “rollover” payment or who have retired or

otherwise terminated work in the company. A public capital market in participating securities allows workers to capitalize the value of their internal capital accounts without the company itself having to “provide the market.”

# Chapter 4: *Worker Cooperatives*

## **Introduction: Worker Ownership in America**

In the second half of the nineteenth century, the first American trade unions of national scope, the National Trade Union and the Knights of Labor, saw their ultimate goal as a Cooperative Commonwealth where the wage system would be replaced by people working for themselves in worker cooperatives. Around the turn of the century, these reform unions were replaced by the business unions which accepted the wage system and sought to increase wages and benefits within that system through collective bargaining. During the Depression, there was an upsurge of self-help cooperatives, and after World War II there was a burst of worker cooperative development in the plywood industry of the Pacific Northwest. The plywood cooperatives used a traditional stock cooperative structure which mitigated against their long term survival as cooperatives.

In recent decades there have been two trends in American worker ownership, one minor and one major. The minor trend was the development of worker cooperatives that grew out of the civil rights and antiwar movements of the 1960s. The worker cooperative or collective was the form of business that suited the alternatives movement of the 1970s and 1980s. Many of the worker cooperatives looked more to the Mondragon cooperatives in the Basque country in Spain than to the American past for their inspiration. We will analyze the Mondragon-type worker cooperative in this chapter, not because it has been numerically important in the American economy, but because it represents a relatively pure form of democratic worker ownership.

The major trend in American worker ownership has been the development of the employee stock ownership plans or ESOPs. The ESOP movement offers many lessons about worker ownership, both positive and negative. It is a very interesting case study in the rise of significant worker ownership in the midst of a capitalist economy. Of particular interest are the divergences between the public ideology of the ESOP movement and the reality of the ESOP structure. ESOPs are discussed in the next two chapters.

## **Worker Cooperatives in General**

Existing worker-owned companies will be analyzed by considering the restructuring (or lack of it) for the conventional ownership bundle of rights: (1) the voting rights, (2) the profit or residual rights, and (3) the net asset rights.

All cooperatives have two broad characteristics:

- (1) voting on a one-person/one-vote basis, and
- (2) allocation of the net savings or residual to the members on the basis of their patronage.

*Patronage* is defined differently in different types of cooperatives. For example, in a marketing cooperative patronage is based on the dollar volume bought or sold by the member through the cooperative. A worker cooperative is a cooperative where the members are the people working in the company, and where patronage is based on their labor as measured by hours or by pay. Thus a *worker cooperative* is a company where the membership rights (the voting rights and the profit rights) are assigned to the people working in the company—with the voting always on a one-person/one-vote basis and the profit allocation on the basis of labor patronage.

### **Traditional Worker Stock Cooperatives**

The most controversial feature of cooperative structure is the treatment of the third set of rights, the net asset rights. How do the members recoup the value of retained earnings that adds to the net asset value? Some cooperatives treat the net asset value as “social property” that cannot be recouped by the members (see the section below on common-ownership firms). Other cooperatives used a stock mechanism for the members to recoup their capital. In the United States, the best known examples of these worker stock cooperatives are the plywood cooperatives in Oregon and Washington [see Berman, 1967 and Bellas, 1972].

The plywood cooperatives use one legal instrument, the membership share, to carry both the membership rights (voting and net income rights) *and* the member’s capital rights. A worker must buy a membership share in order to be a member, but the worker only gets one vote even if he or she owns several shares. Moreover, the dividends go only to the members but are based on their labor patronage. In a successful plywood co-op, the value of a membership share could rise considerably. For example, in a recent plywood co-op “offer sheet,” membership shares were offered for \$95,000 with a \$20,000 down payment. New workers often do not have the resources or credit to buy a membership share so they are hired as non-member employees, which recreates the employer–employee relationship between the member and non-member workers.

When the original cohort of founding workers cannot sell their shares upon retirement, the whole cooperative might be sold to a capitalist firm to finance the founders’ retirement. Thus the worker stock cooperatives tend to revert to capitalist firms either slowly (hiring more non-members) or quickly (by sale of the company). Jaroslav Vanek has called them “mule firms” since they tend not to reproduce themselves for another generation.

In a democratic labor-based firm, the membership rights (voting and profit rights) are partitioned away from the net asset or capital rights, and the membership rights become personal rights attached to the workers as workers. A new social invention, the Mondragon-type internal capital accounts, is used to carry the capital rights of the members. The mistake in the stock cooperatives is that they use *one* instrument, the membership share, to carry *both* the membership and capital rights. The new workers who qualify for membership based on their labor nevertheless cannot just be “given” a membership share (carrying the membership rights) since that share *also* carries essentially the capital value accruing to any retiring member.

With the system of internal capital accounts, a new worker can be given membership (after a probationary period such as six months) but his or her account starts off at zero until the standard membership fee is paid in (for example, more like one or two thousand dollars than \$95,000). The firm itself pays out the balances in the capital accounts either in cash or in negotiable debt instruments such as perpetuities or participating debt securities.

Since the workers do not acquire membership based on their labor in these traditional worker stock cooperatives, they are not labor-based democratic firms. They represent a confused combination of capitalist features (membership based on share ownership) and cooperative attributes (one vote per member).

### **Common-Ownership Firms in England**

A labor-based democratic firm is a firm that assigns the membership rights (the voting and residual rights) to the functional role of working in the firm. But there are two different ways to treat the third rights, the right to the net asset value. Some democratic firms treat the net asset value completely as social or common property, while other democratic firms treat it as partially individualized property.

The common-ownership firms in the UK or the former Yugoslavian self-managed firms are examples of worker-managed firms which treat the net asset value as common or social property. These firms do assign the membership rights to the functional role of working in the firm, but deny any individual recoupable claim on the fruits of past labor reinvested in the firm. Most of the worker cooperatives in the United Kingdom today are organized as common-ownership cooperatives.

There are a number of problems with the social property or common-ownership equity structure which can be resolved using the Mondragon-type individual capital accounts. We consider here some of the problems in Western firms with this social property equity structure. The related difficulties in the Yugoslav self-managed firms will be considered later.

The “common-ownership” equity structure has some rather curious ideological support in the United Kingdom. Having a recoupable claim on the net asset value of the company is considered as illicit in some circles. The reason is far from clear. Perhaps the antipathy is to a capital-ist equity structure where the membership rights are treated as “capital.” But then the antipathy should not extend (as it often does) to the Mondragon-type cooperative structure where the membership rights are personal rights attached to the functional role of working in the company.

Perhaps there is a lack of understanding that the only capital-based appreciation on the capital accounts is interest which has always been allowed in cooperatives. The only other allocations to the capital accounts are the labor-based patronage allocations, but those allocations are analogous to depositing a wage bonus in a savings account. A deposited wage bonus increases the balance in the savings account but it is not a return to the capital in the account. An internal capital account is a form of internal debt capital. Apparently there is no general antipathy in common-ownership companies to workers having explicit debt claims on retained cash flows. The largest common-ownership company, the John Lewis Partnership, has “paid out” bonuses in debt notes to be redeemed in the future. The total of the outstanding debt notes for each member would be a simple form of an internal capital account.

The social property equity structure is best suited to small, labor-intensive, service-oriented cooperatives. None of the complications involved in setting up, maintaining, and paying out internal capital accounts arise since there are no such accounts. Since there is no recoupable claim on retained earnings, the incentive is to distribute all net earnings as pay or bonuses, and to finance all investment with external debt. But any lender, no matter how sympathetic otherwise, would be reluctant to lend to a small firm which had no incentive to build up its own equity and whose members had no direct financial stake in the company.

Firms which have converted to a common-ownership structure after becoming well-established (e.g. Scott Bader Commonwealth or the John Lewis Partnership in England) can obtain loans based on their proven earning power, but small startups lack that option. Thus the use of the common property equity structure in small co-ops will unfortunately perpetuate the image of worker cooperatives as “dwarfish,” labor-intensive, under-financed, low-pay marginal firms.

The system of internal capital accounts in Mondragon-type cooperatives is not a panacea for the problems of the worker cooperatives. But it does represent an important lesson in how worker cooperatives can learn from their past experiences to surmount their problems, self-inflicted and otherwise.

## **Mondragon-type Worker Cooperatives**

### *The Mondragon Group of Cooperatives*

The Mondragon worker cooperatives in the Basque region of Northern Spain provide one of the best examples of worker cooperatives in the world today. The first industrial cooperative of the movement was established in 1956 in the town of Mondragon. Today, it is a complex of around 100 industrial cooperatives with more than 20,000 members which includes the largest producers of consumer durables (stoves, refrigerators, and washing machines) in Spain and a broad array of cooperatives producing computerized machine tools, electronic components, and other high technology products. The cooperatives grew out of a technical school started by a Basque priest, Father Jose Arizmendi. Today, the school is a Polytechnical College which awards engineering degrees.

The financial center of the Mondragon movement is the Caja Laboral Popular (CLP), the Bank of the People's Labor. It is a cooperative bank with 180 branch offices in the Basque region of Spain. The worker cooperatives, instead of the individual depositors, are the members of the Caja Laboral Popular. The bank built up a unique Entrepreneurial Division with several hundred professionally trained members. This division has in effect "socialized" the entrepreneurial process so that it works with workers to systematically set up new cooperatives (see Ellerman, 1984a). The division is now split off as a separate cooperative, *Lan Kide Suztaketa* or LKS.

The CLP is one of a number of second-degree or superstructural cooperatives which support the activities of the Mondragon group. There is also:

- *Arizmendi Eskola Politeknikoa*, a technical engineering college which was the outgrowth of the technical school originally set up by Father Arizmendi;
- *Ikerlan*, an advanced applied research institute that develops applications of new technologies for the cooperatives (for example CAD/CAM, robotics, computerized manufacturing process control, and artificial intelligence);
- *Lagun-Aro*, a social service and medical support cooperative serving all the cooperators and their families in the Mondragon group; and
- *Ikasbide*, a postgraduate and professional management training institute.

The whole Mondragon cooperative complex has developed in a little over 30 years. It has pioneered many innovations, including the system of internal capital accounts. A worker's account starts off with the paid-in membership fee, it accrues interest (usually paid out currently), and it receives the labor-based allocation of retained profits and losses. Upon

termination, the balance in a worker's account is paid out over several years. There is also a collective account which receives a portion of retained profits or losses. The collective account is not paid out; it is part of the patrimony received by each generation of workers and passed on to the next generation [for more analysis, see Oakeshott, 1978; Thomas and Logan, 1982; Ellerman, 1984a; Wiener and Oakeshott, 1987; or Whyte and Whyte, 1988].

### *Implementing the Mondragon-type Co-op in America*

A *Mondragon-type worker cooperative* is a labor-based worker cooperative with a system of internal capital accounts. There are several ways to implement this legal structure in the United States. A firm can incorporate under standard business corporation law and then internally restructure as a Mondragon-type worker cooperative using a special set of by-laws [e.g. ICA, 1984].

The key to the by-law restructuring of a standard business corporation as a Mondragon-type worker cooperative is to partition the conventional bundle of ownership rights attached to the shares so that the membership rights can be transformed into personal rights assigned to the workers. Since the net asset rights need to be partitioned off from the membership rights, two instruments are required (unlike the one membership share in the traditional stock cooperatives). Thus either the net asset rights or the membership rights must be removed from the equity shares in the restructured business corporation. The net asset rights are separated off from the shares, and kept track of using another mechanism than share ownership, namely, the internal capital accounts.

After a probationary period (typically six months), an employee must be accepted into membership or let go (the "up or out rule"). If accepted, the worker is issued one and only one share, the "membership share." Membership has obligations as well as rights. Just as a citizen pays taxes, so a member is required to pay in a standard membership fee usually out of payroll deductions. This forms the initial balance in the member's internal capital account. When the member retires or otherwise terminates work in the company, the membership share is forfeited back to the firm. The person's internal account is closed as of the end of that fiscal year, and the closing balance is paid out over a period of years.

The by-laws require that the membership share is not transferable to anyone else. The company issues it upon acceptance into membership, and the company takes it back upon termination. Since the share is not marketable, it has no market value. It functions simply as a value-less *membership certificate*. Having two membership shares would give one no more rights than having two ID cards or two identical passports. One would just be a copy of the other. In this manner, the allocation of the shares is transformed from a property rights

allocation mechanism (whoever buys the shares) to a personal rights allocation mechanism (assigned to the functional role of working in the firm beyond the probationary period).

Since the value has been stripped away from the share-as-membership-certificate, the internal capital accounts are created to take over that function of recording the value to be ultimately paid back to the member. That value balance remains a property right representing the value of the members' paid-in membership fees, the reinvested value of the fruits of their labor, and the accumulated interest. If a member dies, the membership rights (as personal rights) revert to the firm while the balance in the person's capital account would be paid out to the person's estate and heirs.

In America, corporations are chartered by state law, not federal law, so there are fifty state corporate statutes. The cooperative by-laws could be used in a business corporation in any of the states. However, some states have now passed special statutes for Mondragon-type cooperatives using internal capital accounts. The first worker cooperative statute in America explicitly authorizing the Mondragon-type system of internal capital accounts was codrafted by ICA attorney Peter Pitegoff and the author, and was passed in Massachusetts in 1982 [see Ellerman and Pitegoff, 1983]. Since then, mirror statutes have been passed in a number of other states (such as Maine, Connecticut, Vermont, New York, Oregon, and Washington). Similar legislation is being prepared for other states. A British version of the statute has been accepted in Parliament as Table G of the Companies Act.

#### *Risk Diversification and Labor Mobility*

There are two conventional arguments against worker ownership that need to be considered in light of the Mondragon experience. One argument is that worker ownership impedes the birth and death of firms by cutting down on labor mobility. The other argument is that worker ownership forces the workers to bear too much risk since they cannot diversify their capital in a large number of enterprises.

Both arguments tend to assume that the approach to these problems in a capitalist economy is the only approach. For instance, labor mobility—by contracting or closing some firms and starting or expanding others—is not the only mechanism of industrial change. In Mondragon, management planning takes the membership in the firm as a given short-run fixed factor not under the discretionary control of the management [see Ellerman, 1984b]. When a business is failing in its current product line, the response is not to contract the firm by firing workers. The response is to convert the business in a deliberate manner to a more profitable line. The crucial element in the conversion is the socialization of entrepreneurship through the CLP's Empresarial Division-LKS. The Empresarial Division-LKS uses its broad knowledge of alternative product

lines to work with the managers on the conversion. Thus the social function of allowing old product lines to die and promoting new products is carried out in a manner that does not presuppose labor mobility.

The other argument is that, under worker ownership, the workers cannot reduce their risk by diversifying their equity capital holdings. Since a worker typically works in only one job, attaching equity rights to labor allegedly does not allow diversification of risk. All the worker's eggs are in one basket. But there are other ways to address the risk reduction problem, namely the *horizontal association* or grouping of enterprises to pool their business risks. The cooperatives are associated together in a number of regional groups that pool their profits in varying degrees. Instead of a worker diversifying his or her capital in six companies, six companies partially pool their profits in a group or federation and accomplish the same risk-reduction purpose without transferable equity capital.

Suppose that with some form of transferable equity claims a worker in co-op 1 could diversify his or her equity to get (say) 50 per cent of firm 1's average income per worker and then 10 per cent each from firms 2 through 6 to make up his or her annual pay. The alternative is risk-pooling in federations of cooperatives. The six cooperatives group together so that a member gets 40 per cent of average income per worker from his or her firm plus 60 per cent of the average of all the six firms. A co-op 1 worker would receive the same diversified income package as the previous annual pay obtained with transferable equity claims. Thus transferable equity capital is not necessary to obtain risk diversification in the flow of annual worker income.

# Chapter 5: *Employee Stock Ownership Plans*

## **ESOPs: An American Phenomenon**

After a century of unionism in America, only about 15 per cent of the nonagricultural workforce is unionized and that percentage is declining. In only a decade and a half, ESOPs have spread to cover about 10 per cent of the workforce and that percentage is climbing. Clearly something significant is happening.

Employee ownership has so far not become a partisan issue in America or the United Kingdom. Publications favorable to ESOPs in the UK have been recently promoted by the conservative Adam Smith Institute [Taylor, 1988] and by the Fabian Research Unit [McDonald, 1989]. In America, ESOPs draw support from across the relatively narrow political spectrum. While there is strong conservative support for ESOPs, the right wing in America has not been a strong supporter of worker empowerment. That suggests most ESOPs have not been a form of worker empowerment. What then does drive the current ESOP movement in the minds of conservatives and moderates?

One motive cited by conservatives and moderates is the maldistribution of wealth and income. For instance, over half of the personally-held corporate stock is held by the top one per cent of households [with similar statistics holding in the UK, see McDonald 1989, p. 10]. Conventional capitalism is characterized as a “closed-loop financing system”—in other words, the rich get richer and the poor get poorer. New wealth accrues primarily to equity ownership, so until workers get in on equity ownership, they will remain permanently outside the loop. Thus the idea is “Capitalism—Heal Thyself.” ESOPs are the prescription.

The developer of the leveraged ESOP idea, Louis O. Kelso, ESOPs as *democratic* capitalism [see Kelso and Kelso, 1986]. There is much pressure to use the word “democratic” in America. The adjective “democratic” is sometimes used to mean anything that can be spread amongst the common people without discrimination—like the common cold. The wealth redistributive purpose of ESOPs is to give the common people a “piece of the action” and thus to make capitalism more “democratic” in *that* sense.

But other motives seem to have hitched a ride on the redistributive bandwagon. By investing workers with ownership, workers may be weaned away from unions. In fact many of the ESOPs designed as the opposite of workplace democracy would leave workers without any form of collective decision-making and action.

Many ESOPs are set up in small to medium-sized family-owned firms which are seldom a hot-bed of unionism. The founder, or his family, want to cash out at least over a period of years. The traditional route has been to sell to a large firm—which left the loyal employees with an uncertain fate. The alternative of getting tax breaks by selling to the workers through an ESOP is thus motivated by a tax-sweetened paternalism. ESOP consultants sometimes use the pitch, “Here is how you can sell your company and still keep control of it.”

When hostile takeovers are a possibility (as in the USA in the 80’s), large firms turn to ESOPs for rather different reasons. With an ESOP, a sizable block of shares is in friendly hands so a hostile takeover is that much more difficult.

The takeovers seem driven less by real efficiency gains than by the short-term profits obtained by redrafting in the company’s favor all the implicit contracts with the employees, the (non-junk) bondholders, and the local communities. The long-term effects are anti-investment; they work against company investment in employee training or in new product development, against the investment of non-junk long-term capital, and against state and local government investment in infrastructure development for (now outside-controlled) companies.

Some unions have embraced ESOPs, but only after a shotgun marriage. The long-term decline of the unionized steel industry has forced workers to take their fate more and more into their own hands. The success of Weirton Steel, a 100 per cent ESOP buyout from National Steel, has been one of the brightest spots in employee ownership during the 1980’s.

Unions have found common cause with management on using ESOPs as an anti-takeover device. If the company is going to become heavily leveraged to prevent a takeover (e.g. to buy back shares), then the employees might as well be earning shares for themselves as they tighten their belts to pay off the company debt. Recently the unions led the ESOP buyout of United Airlines, one of the largest airlines in the world.

Employee ownership offers American liberals an almost unique opportunity to be pro-worker without being anti-business. We are witnessing the drawing to a close of the era of America’s economic prominence based on the vitality of its market economy and its endowment of unexploited natural resources in the New World. In the finely-tuned competitive environment of today’s international marketplace, American industry can ill-afford the inherent “X-inefficiency” of the firm organized on the basis of the us-vs.-them mentality of the employer–employee relationship [see Leibenstein 1987]. A new cooperative and participative model of the enterprise is needed where the workers are seen as long-term “members” rather than as “employees.” Many forward-looking American liberals and progressives see worker ownership as the natural legal framework for that new model of the enterprise.

There have thus been many reasons for the ESOP phenomenon and for the widespread political support. To further analyze the ESOP contribution, we must turn to a closer description of ESOPs.

### **Worker Capitalist Corporations**

A *worker-capitalist corporation* is a company where the conventional ownership bundle remains as a bundle of property rights, that is, as capital (not partially restructured as personal rights) and those property rights are owned by the employees of the corporation. Instead of directly working for themselves, the workers own the capital that employs them.

In a worker-capitalist firm, the employee might own the shares directly or only own them indirectly through a trust such as an Employee Stock Ownership Plan or ESOP. Before considering these two forms, it should be noted how worker-capitalist firms violate the democratic rule of one vote per person and do not allocate the net income in accordance with labor.

Votes are conventionally attached to shares, and different employees will usually own widely differing numbers of shares (different longevity, pay rates, and so forth). The votes will be as unequal as the share distribution. The voting rights are part of the property rights attached to the shares so it is the shares that vote, not the people. The shareholders don't vote themselves; they vote their shares.

In any capitalist firm, worker-owned or absentee-owned, the net income ultimately accrues to the shareholders either in the form of share dividends or capital gains (increased share value). Both dividends and capital gains are per share so they are proportional to the shareholding of the employees, not their labor during the fiscal year.

Before the development of ESOPs, there were sporadic examples of worker buyouts that established worker capitalist firms where the workers directly owned all or a majority of the shares. When the shares are *directly* owned by some or all of the employees, the employee ownership tends to be a very temporary characteristic of the company—at least in a full-blown market society. If the company succeeds, the share value rises so the workers and their shares are soon parted. The Vermont Asbestos Group and the Mohawk Valley Community Corporation were examples of pre-ESOP worker buyouts in the 1970s. Within three to five years, managers or outsiders had purchased majority control in both companies.

Employee-owned corporations are more stable if the shares are *indirectly* owned through a trust as in the employee stock ownership plans (ESOPs). In an ESOP, each employee has an account which keeps track of the employee's capital. The shares represented in the accounts are

held in the trust so the employees cannot sell them. The employees only receive the shares upon leaving the company or retirement, and even then the company usually buys back the shares to maintain the employee-owned nature of the company.

In a conventional ESOP, the voting and profit rights are distributed to workers—not according to their labor—but according to their capital. The voting is on one per share basis, and workers and managers can own widely differing numbers of shares depending on their pay scale and longevity with the company. The profits accrue to the employee-shareholders either as dividends or as capital gains (realized increase in share price) and both are proportional to the number of shares held, not the labor performed by the worker.

### **Origin of ESOPs**

The original architect of the ESOP was a corporate and investment banking lawyer, Louis Kelso, who has co-authored books entitled *The Capitalist Manifesto*, *How to Turn Eighty Million Workers Into Capitalists on Borrowed Money*, and *Two-Factor Theory*. The conservative but populist aspects of the Kelso plan appealed to Senator Russell Long (son of spread-the-wealth Southern populist, Huey Long), who pushed the original ESOP legislation through Congress and continued to spearhead the ESOP legislation (e.g. the *Tax Reform Act of 1984*) until his retirement from the Senate.

An ESOP is a special type of benefit plan authorized by the Employee Retirement Income Security Act (ERISA) of 1974. As in any employee benefit plan, the employer contributions to an ESOP trust are deductible from taxable corporate income. But, unlike an ordinary pension trust, an ESOP invests most or all of its assets in the employer's stock. This makes an ESOP into a new vehicle for worker ownership but it is not a substitute for a diversified pension plan.

ESOPs have received strong tax preferences so for that reason, if for no other, their growth has been significant. From the beginning in 1974, 10,000 ESOPs sprung up in the United States covering about 10 per cent of the workforce (in comparison, about 15 per cent of the workforce is unionized). There are perhaps 1000 ESOPs holding a majority of the shares in the company. However, only 50–100 of the ESOPs have the democratic and cooperative attributes such as one-person/one-vote as opposed to one-share/one-vote. The overwhelming majority of ESOPs are designed by managers to be controlled by management and the lenders (at least for the duration of the ESOP loan).

The main tax advantage to the company is the ability to deduct the value of shares issued to an ESOP from the taxable corporate income. The *Tax Reform Act of 1984* has increased the tax-favored status of ESOPs for companies, owners, and banks. The taxable income to a bank is the

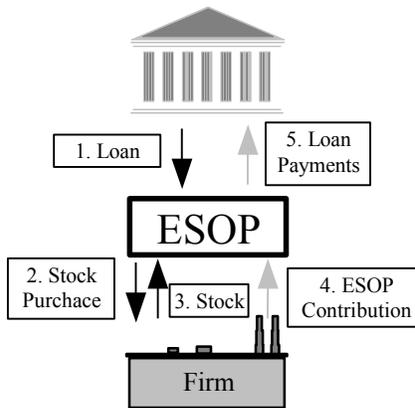
interest paid on a bank loan. On a loan to a leveraged ESOP, 50 per cent of the interest is now tax-free to the bank. Dividends paid out on stock held in an ESOP are deductible from corporate income (similar to an existing tax benefit of cooperatives) whereas dividends in conventional corporations come out of after-tax corporate income. If an owner sells a business to an ESOP (or a worker-owned cooperative) and reinvests the proceeds in the securities of another business within a year, then the tax on the capital gains is deferred until the new securities are sold. These tax breaks have made the ESOP into a highly favored financial instrument.

Due to the strong tax preferences to the firms as well as to lenders, most large-sized worker-owned companies in the United States are organized as ESOPs. However, the transaction costs involved in setting up and administering an ESOP are large, so the cooperative form is often used for smaller worker-owned enterprises. The ESOP structure allows for partial employee ownership—whereas a cooperative tends to be an all-or-nothing affair. Indeed, most ESOPs are hybrid companies which combine employee with absentee ownership. The average ESOP company has less than 20 per cent employee ownership [for a review of the ESOP literature and research, see Blasi, 1988].

### **Structure of ESOP Transactions**

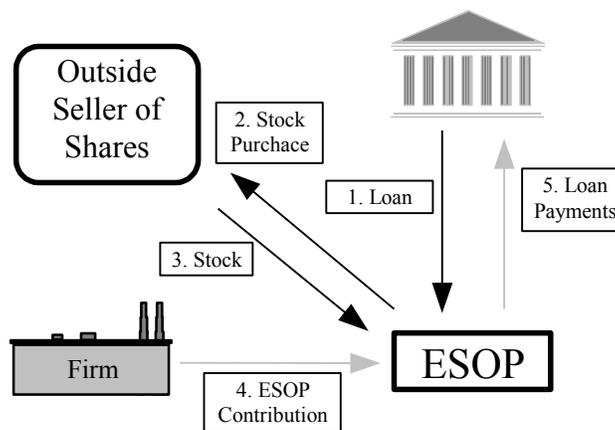
In the leveraged ESOP transaction, the corporate employer adopts an employee stock ownership plan (ESOP) which includes a trust as a separate legal entity formed to hold employer stock. The ESOP borrows money from a bank or other lender (step 1 in diagram below), and uses that money to purchase some or all of the employer stock at fair market value (steps 2 and 3). The loan proceeds thus pass through the trust to the employer, and the stock is held in the trust. Ordinarily, the company guarantees repayment of the loan by the ESOP and the stock in the trust is pledged to guarantee the loan.

Over time, the employer makes contributions of cash to the ESOP in amounts needed to repay the principal and interest of the bank loan (step 4) and the trust passes the payments through to the bank (step 5). Thus, the employer pays off the loan gradually by repayments to the lender through the ESOP—payments that are deductible from taxable income as deferred labor compensation. This deduction of both interest and principal payments represents a significant tax advantage since the employer ordinarily can deduct only the interest payments. The implicit cost of the tax break to the original shareholders is the dilution of their shares represented by the employee shares in the ESOP.



A Standard Leveraged ESOP

An ESOP can also be used to partially or wholly buy out a company from a private or public owner. This is called the “leveraged *buyout* transaction.” Taking the previous owner as the government, the ESOP borrows money (step 1 in diagram below) and the loan payments are guaranteed by the firm with the purchased shares as collateral. The shares are then purchased from the outside owner, such as the government, with the loan proceeds (steps 2 and 3)—instead of buying newly issued shares from the company.



Leveraged Worker Buy-Out from Outside Seller

Again the firm makes ESOP contributions which are passed through to pay off the loan (steps 4 and 5). A variation on this plan is for the seller to supply all or some of the credit. By combining the functions of the bank and government in the above diagram, we have the “pure credit” leveraged buyout transaction.

## **Two Examples of ESOPs**

One of the best-known world-wide companies that is employee-owned through an ESOP is the Avis car rental company. After going through five different corporate owners in eleven years, Avis was sold to an ESOP in 1987 for a little less than \$2 billion dollars. Avis has added involvement to the bare bones of ownership with its employee participation group system. Before the buyout, Avis used the advertising slogan "We try harder"; after the buyout the slogan was "Owners try harder." After the buyout, profits increased from \$16 million to \$79 million in the first year and to \$93 million in the following year.

Today the biggest ESOP in America is also a well-known world-wide company, United Airlines. In 1993, two out of the three unions and the non-union employees agreed to a plan to reduce wages and benefits in the amount of about \$5 billion dollars over the next five to six years. In exchange, an ESOP would receive at least 55% of the shares with the remainder being still publicly traded. The workers' 55% of the shares were purchased with money from a package of loans to be paid off over the next six years. United, like Avis, uses employee ownership as a force in its advertising program. In America, the low morale of employees in conventional companies is sometimes expressed in the phrase "We just work here." United started its pride of ownership campaign with pictures of employee-owners saying "We don't just work here."

# Chapter 6: *Model of a Hybrid Democratic Firm*

## **Introduction: A Model for Transplanting**

ESOPs and worker cooperatives have evolved in idiosyncratic ways in the United States and elsewhere. How can the “core” of these legal structures be introduced in rather different legal environments elsewhere in the West—not to mention in the transitional economies? For instance, worker cooperatives have always been limited because they are all-or-nothing affairs. There is no intermediate stage that allows a company to ramp up to 100 per cent worker ownership over a period of years. This chapter presents a hybrid form of the Mondragon-type worker cooperative.

ESOPs do allow for that partial or hybrid intermediate structure. But the American ESOPs require an external trust in addition to the corporation. How can the ESOP structure be applied in non-Anglo-Saxon countries which have little or no trust law? This chapter presents the idea of an “internal ESOP” which captures the basic ideas of the leveraged ESOP transaction with *no* external trust.

The resulting models of a hybridized Mondragon-type worker cooperative and an internalized democratic ESOP turn out to be essentially the same—so *that* is the model of the *hybrid democratic firm* presented here.

## **A Hybrid Mondragon-type Worker Cooperative**

The worker-owned cooperative has historically been an all-or-nothing creature. It tends to assume a workforce that already understands and appreciates the rights and responsibilities of democratic worker ownership. A more practical compromise is a hybrid structure that can initially accommodate less than 100 per cent or even minority worker ownership—but where that portion of worker ownership is organized on a democratic cooperative basis.

A *hybridized* Mondragon-type worker cooperative is a corporation where a certain percentage of the ownership rights is organized as a Mondragon-type worker cooperative, that is, with voting by an agreed-upon rule (e.g., equal or according to salary) to determine total vote of workers’ shares and with workers’ residual allocated among them according to labor (as measured, for instance, by salary).

## **An Internalized Democratic ESOP**

The democratic ESOP is already a hybrid structure for democratic worker ownership. Any percentage of the ownership could be in the ESOP, and that portion can be organized on a cooperative basis. However, the ESOP has evolved in an idiosyncratic way depending on the peculiarities of American law and the political process. In designing a new institutional form, it is best to think through the real function served by all the ESOP trust apparatus and then implement a streamlined version accomplishing the desired ends.

In particular, an external trust is a somewhat peculiar mechanism for *worker* ownership. The workers are, in fact, inside the firm. But an external ESOP trust is set up with the workers as beneficiaries. Then the firm issues external shares to be held by the trust. By this circuitous route, the workers have the ownership rights in their enterprise.

The external ESOP trust evolved in American law from a pension trust designed to hold shares in *other* companies. There is little need for the trust to be external if its primary purpose is to register ownership in the company itself. Corporate law could be modified or new corporate law drafted to, in effect, move the ESOP inside the corporation itself. The whole circuitous loop of worker ownership through an external democratic ESOP could be simplified and streamlined by moving the ESOP inside the corporation.

In America, starting and administering an ESOP requires an army of lawyers, financial analysts, valuation experts, and accountants all resulting in sizable transaction costs. Indeed, a whole industry has developed for the “care and feeding” of ESOPs. Less of this would be necessary if the ESOP structure was internal to the structure of the corporation.

An *internalized* democratic ESOP is a corporation where a certain percentage of the ownership rights is organized as a “democratic ESOP” within the company.

## **The Hybrid Democratic Firm**

The interesting result is that a hybridized Mondragon-type worker cooperative is essentially the *same* as an internalized democratic ESOP—and *that* is the structure we are proposing as a hybrid partial worker-owned democratic firm—which, for short, will be called a *hybrid democratic firm*.

Many useful ideas can be suggested by using the two ways of conceptually deriving the structure of a hybridized democratic firm (as a hybridized co-op or an internalized ESOP). However, we will initially describe the structure in general terms.

The equity of the hybrid firm is divided into two parts:

- (1) the *workers' portion of the equity* which is the “inside ownership” and
- (2) the *external portion of the equity* owned by outside parties such as organs of government, intermediate institutions, or private parties.

In a transitional economy, the external ownership might be public, that is, by the state, city, county, township, or village government.

There are two limiting cases: 0 per cent and 100 per cent inside ownership. With 0 per cent inside ownership, the firm would be a conventional corporation owned by public or private parties. With 100 per cent internal ownership, the firm would be a (non-hybridized) Mondragon-type worker cooperative which could also be seen as a 100 per cent democratic ESOP (i.e. an ESOP with 100 per cent of the ownership) internalized to the company.

In an American corporation, there is a difference between shares that are *authorized* and shares that have been issued to become *outstanding*. A certain number of shares (assume all common voting shares) are authorized in the original corporate charter. Some of these shares are then issued to shareholders in return for their paid-in capital so those shares are then outstanding. If a company bought back or redeemed any shares, those shares would not be outstanding and would be retired to the company treasury until re-issued. Only the shares that are issued and outstanding can vote or receive dividends. The authorized but unissued or redeemed shares can neither vote, receive dividends, nor reflect any net worth.

In what follows, we assume the hybrid firm is organized as a corporation with common voting shares—although a simpler structure might also be used to implement the ideas. In a hybrid democratic corporation with shares, the inside ownership is *a new category of issued and outstanding shares*; it is not unissued or treasury stock. The workers' stock is issued and outstanding but held in the firm for the inside owners, the workers. Each worker does not own a certain number of shares since the workers' portion of the company is to be organized in a labor-based democratic fashion. The worker *shares* are held collectively and are unmarketable. The workers vote on an agreed-upon basis as to how the collectivity of the worker shares will be voted. The workers would elect a number of representatives to the board of directors proportional to the workers' portion of the equity (e.g. one third of the directors for one third of the equity). The worker representatives on the board would form a natural subcommittee to control the shares in the workers' portion of the equity in analogy with an ESOP governing committee in the American external ESOP.

Some shares have a par or face value that is the value for which the shares were originally issued, but that value has no significance later on. Often shares are no-par shares with no par or face value; they simply have some original issued value. After a company has been in operation,

the shares will have a book value (net book value divided by the number of common shares). If the shares are marketable, they will also have a market value. The book and market values are in general different from the face or issued values of the shares. The relevant valuation of the worker shares in a democratic firm is their net asset value or “economic book value”.

Assets	Liabilities
Cash	External Debt
Inventory	External Equity
Equipment	Internal ESOP:
Real Estate	Individual Capital Accounts
	Suspense Account
	Collective Account
	minus Loan Balance Account

#### Hybrid Democratic Firm's Balance Sheet

The total book value of the worker shares is divided between several types of internal capital accounts in the internal ESOP:

- (1) each worker has a value-denominated *individual capital account* which would contain a certain amount of value (not a certain number of shares);
- (2) there is a *suspense account* which serves as a temporary collective account or “holding pen” for value to be eventually allocated to individual accounts;
- (3) a permanent *collective account*, and
- (4) there would also be a (debit-balance) *loan balance account* which could be treated as a contra-account to the collective account.

Company law could be redrafted so that the *workers' portion* of the equity was a *normal part of any corporation*. A company typically runs several accounts such as total year-to-date wages or accrued vacation time. A worker’s internal capital account would be another account maintained for each person in the company.

Each worker could have a membership certificate, but it would be quite different from a share certificate. The number of shares in the total workers’ portion might grow over time, but each worker only needs one membership certificate to signify membership. Each year, the workers would receive Capital Account Statements showing the transactions in their accounts due to the year’s operations and the resulting ending balances.

Some details can be best illustrated by considering a concrete example. Consider a hybrid democratic firm where one-third of the ownership is inside or workers' ownership. There could be, say, 960 shares issued and outstanding with 33 per cent or 320 shares held in the firm as worker shares. In a corporate election of (say) board members, there are 960 share-votes, 320 of which are controlled by the workers. The workers vote on a democratic basis as to how their 320 share votes should be cast.

A new worker might pay in a standard membership fee through payroll deductions. Shares with book value equal to the membership fee would be issued by the company to the total workers' portion of the equity, and that value would be credited to the new worker's individual capital account.

The workers' portion of the ownership would be exercised in not only a democratic but a labor-based manner. Workers would receive wages and salaries as usual, and then 33 per cent of the profits would be allocated among the workers according to their labor—after interest is paid on the capital accounts.

Profits will accrue to the workers in two ways. A firm-wide decision might be made for some of the profits to be paid out in dividends on the shares. Then, in the example, 33 per cent of the dividends would go to the workers collectively to be divided between them according to their labor (measured by salary or by hours). The dividends could be paid out in cash, or they could be added to the capital accounts and then used to pay out the oldest account entries according to the rollover plan. The remainder of the profits (not declared as dividends) would be retained so they would increase the net book value per share. The shares in the workers' portion are valued at book value. Hence 33 per cent of the retained profit (= increase in net book value) would accrue to the workers' individual accounts.

The allocation formula between worker accounts depends on whether the individual capital accounts bear interest or not. Accounting is simpler if interest is ignored, but interest is the only compensation proportional to the larger risk borne by large account holders (older workers). The interest comes out of the workers' retained profit. The interest should be added to each account with the remainder of the workers' retained profit (their one-third)—which could now be negative—allocated between the accounts according to labor. If there are little or no profits, the interest is still added to the workers' accounts and the correspondingly more negative retained profits (i.e. greater losses) are allocated between the accounts according to labor.

It should be remembered that the workers do not have any individual ownership of shares; only the book value is represented in their individual capital accounts. In the hybrid firm, the shares still package together the three main rights in the ownership bundle (voting, profit, and net

asset rights). But the workers' portion of the ownership is organized in a labor-based democratic manner so the voting and profit rights (carried by the shares in the workers' portion) are split off and assigned as personal rights to the workers' role, while the book value of the worker shares is allocated between the capital accounts (individual, suspense, and collective accounts).

A worker's account would be paid out in the regular rollover payouts (assuming the rollover plan is used) with the remainder paid out after termination or retirement. There are several ways to consider the payouts on the capital accounts when the firm is a hybrid instead of 100 per cent worker-owned. If a cash payout, in accordance with the rollover plan or upon termination, is from general funds of the company (and there is no proportional payout to the external shareholders), then worker shares with book value equal to the payout should be retired to the company treasury. Alternatively, if there was a cash dividend on all shares, then the worker portion of the dividend could be credited to the accounts according to current labor and then used to rollover the oldest account entries or to pay out terminated accounts. In that case, there would be no need to retire an equal amount of shares since the external shareholders received their proportional part of the dividend payout.

### **The ESOP Transactions with an Internal ESOP**

#### *The "Leveraged ESOP" Transaction*

Consider a hybrid firm that starts off entirely or almost entirely government owned. Then a loan is channeled through the workers' portion of the equity as an "internal ESOP" in order to increase the workers' share of the company.

Let us suppose \$300,000 is borrowed by the firm from a bank. There were previously 660 shares, 640 held by the government, 20 held by the workers, and the share book value was \$1,000 each. With the loan channeled through the workers' portion of the equity, 300 (=  $300,000/1,000$ ) new shares are issued to the workers' portion of the ownership so the workers then have 320/960 or 33 per cent of the ownership. However, the share value is allocated to the suspense account.

Each loan payment is divided into a principal and interest portion. In many countries such as the United States, the interest portion is already an expense deductible from taxable corporate income. The principal portion is to be treated as a labor expense so that it would also be deductible as an expense from taxable corporate income. This procedure would need to be approved by the relevant tax authorities—as it has been approved in the United States.

A value amount equal to the principal payment is allocated from the suspense account to the individual accounts to be divided between them in accordance with labor. It is *as if* each

principal payment is paid out to the workers as a bonus and then immediately reinvested in worker equity, and the money is then paid to the bank as the principal payment. In this manner, the hybrid firm internally mimics the leveraged ESOP transaction.

It should be remembered that changes in the worker accounts resulting from retained profits or losses are also taking place at the end of the fiscal year in addition to the credits relating to the principal payments. Those year-end profits or losses of the firm are computed with the principal payments treated as a labor expense.

When the loan is paid off, the principal amount of the loan will have been allocated between the individual accounts. The financial reward to the whole company for channeling the loan through the “internal ESOP,” the workers’ portion of ownership, is that the principal payments on the loan were deducted from taxable income. The increased worker ownership should also reap other rewards through the greater motivation and productivity of the workers.

#### *The “Leveraged ESOP” Buyout Transaction*

In the previously described leveraged internal ESOP transactions, the loan money went to the company, and the worker shares were newly issued and valued at book value. An alternative leveraged transaction is to use the loan proceeds to buy externally held shares for the workers’ portion of the ownership.

The bank or financial institution loans money to the company. The cash is passed through the company and used to buy back externally held shares from the government authority or other party holding the shares. However, instead of interpreting this as a share redemption (which would retire the shares to the corporate treasury), it is viewed as the workers collectively buying the shares from the external owners. Hence those shares enter the workers’ portion of the ownership instead of the corporate treasury, and the workers would determine how those share votes are to be cast.

#### **The Simplified Internal ESOP**

It is also possible to have a simplified internal ESOP which removes some of the complications in favor of a minimal structure. The simplified internal ESOP is more appropriate for companies with all or substantially all of the ownership in the ESOP so that there is little point to differentiate between a loan channeled through the ESOP and a direct loan to the company. That allows considerable simplification in the ESOP structure. The suspense account, the loan-balance account, and the notion of special ESOP contribution (as opposed to an ordinary loan payment) can be eliminated.

What is left? With no special tax breaks (the typical situation when an “ESOP” is implemented on a firm-by-firm basis in a country with joint stock company law) and no special notion of an ESOP loan, what is left of the original ESOP idea? The basic idea of a manager/employee leveraged buyout is still there; indeed the insiders have substantially all the ownership. The trust aspect is also still there. The employee shares may not be freely sold, and the company will supply the market for repurchasing the shares. Thus the ownership is controlled as in a shareholders’ agreement in a closely-held company. In particular, it is controlled in order to maintain the correlation between ownership and working in the company.

Since there is no distribution of shares from the suspense account into the individual share accounts (there being no suspense account), all the more emphasis is put on the employees’ initial purchase of shares. The ESOP would impose a maximum number of shares that could be purchased by each employee where the maximum was proportional to salary (that is, a certain number of shares for each \$100 of monthly salary). The ESOP might also impose a minimum purchase specified as so many month’s salaries. Employees who would not make the minimum purchase (even when offered installment payments out of salary) could either be terminated (hard version) or left unprotected when layoffs have to be made (soft version). Some distinction is usually necessary between existing employees at the time of buyout and new hires. The existing employees might be “grandfathered” into the ESOP while the minimum purchase of shares is made a condition of employment for new employees.

In the full featured internal ESOP, the periodic repurchase or rollover plan is designed to smooth out the liability to repurchase older worker shares instead of allowing it to build up and be triggered by termination or retirement. When the shares are repurchased with ESOP contributions in the periodic repurchase plan, the shares are redistributed to the current employees. But in the simplified ESOP, employees only get shares by purchasing them. There is no automatic redistribution of repurchased shares.

In the simplified ESOP, the functional equivalent of the periodic repurchase plan can be obtained by an appropriate dividend policy. There is little or no leakage of dividends to non-employees since we have assumed that all or substantially all the ownership is in the ESOP. Shares will only be repurchased upon termination or retirement but the dividends will keep share value down. The equivalent of the (say) five year wait for shares to be repurchased under the periodic repurchase plan could be obtained by declaring dividends in five year notes.

### **Implementation Questions**

How can the hybrid democratic firm be implemented? There are questions involving both corporate structure and tax benefits. The corporate structure of the hybrid democratic firm

should at best be implemented by additions to existing corporate statutes authorizing the creation of the "workers' portion" of the equity of a company. Legislation should be preceded by experimentation. The structure could be experimentally implemented (without legislation) in an enterprise by appropriately drafting the charter and by-laws of the enterprise and obtaining the agreement of the present owners and the Workers' Assembly. These could be developed as simple amendments to existing charters and by-laws to add the workers' portion of equity onto an existing joint stock company. After the development of a model seasoned by experience in a particular country, appropriate legislation can be drafted and passed.

The tax benefits of the "internal ESOP" transactions would require authorization from the tax authorities. This requires both allowing the principal payments on loans channeled through the workers' portion of equity to be deducted as labor expenses and deferring any personal income tax incidence for the workers until the capital accounts are paid out.

There are reasonable arguments for both tax benefits as well as the strong American precedent. It is as if the principal payment was paid out as a deductible labor bonus and then immediately rolled over into equity shares in the company (the equity injection then being used to pay off the loan). Or one could think of the company as making the principal payment directly to the bank and simultaneously issuing an equal (book value) amount of shares to the workers' portion of the equity as a deductible stock bonus. In either case, it should be a deductible labor expense to the firm. The workers have no increase in their disposable income so it is reasonable to defer personal taxation until the capital accounts are paid out.

ESOPs use American trust law. Trust law tends to be quite different, idiosyncratic, or non-existent in other countries. Rather than have the costly and bulky apparatus of the external ESOP trust as in current American law, the internal or workers' portion of the equity should be a *normal part of every company*—with the workers' percentage of ownership varying from the beginning of 0 percent up to 100 percent. Alternatively, a country could draft laws to create the machinery of trusts and then the machinery for the external ESOP trust.

Whether or not an external trust is used, it is key that the ESOP hold the shares in trust so that the workers cannot individually sell the shares. Each worker would like to have the benefits of working in a democratic firm and also have the cash from selling his or her shares (assuming everyone else does not do the same). But if everyone did likewise, the firm would no longer be a democratic firm. Hence there needs to be a collective decision to structure a firm in a democratic fashion, and thereafter individuals cannot sell their shares and remain in the company—any more than citizens can sell their voting rights.

## Management and Governance Structures

We turn now to some structural aspects of management (top-down use of delegated authority) and governance (bottom-up delegation of authority) in a democratic firm (hybrid or 100 per cent).

The usual governance structure in a corporation is for the shareholders to elect the board of directors, and then for the board to appoint the general manager and possibly other members of the top management team. Top management then appoints the middle managers who, in turn, select the low-level managers or foremen at the shop floor level. In a hybrid democratic firm, the workers should elect a portion of the board at least equal to their portion of the ownership.

Even in a majority or 100 per cent worker-owned company, it is not appropriate for workers to directly elect shopfloor managers. Those managers would then be in an intolerable position between middle management and the workers. They would have to “serve two masters”—to carry out the orders and management plans from above while at the same time being answerable to the workers who elect them.

Worker-owners also should not have the right to countermand management orders at the shopfloor level (except in the case of direct physical endangerment). There must be channels for workers to use to register their complaints. These could take two forms: (1) *disagreements* over policy questions or (2) *grievances* against managers or other workers for allegedly breaking enterprise rules.

For the workers to intelligently use their ultimate control rights (e.g. votes to elect representatives to the board or to vote on other issues put to the shareholders), they must have a flow of *information* about the company operations. In particular, worker representatives need timely information in order to have an input in management decisions. There should be a number of forums where information can be communicated, questions can be asked of management, and disagreements can be expressed.

There is the *annual meeting* of the Workers’ Assembly but that can only deal with the larger issues of overall policy. There should be frequent *shop meetings* (weekly, bi-weekly, or at least monthly). It is important that at least part of each meeting is not chaired by the shop foreman or any other representative of management. There should be another non-managerial elected shop or office representative such as a “shop steward.” In part of the shop meetings, the shop steward should preside, disagreements should be voiced in a respectful manner (perhaps by the steward) without fear of recriminations, and the shop managers should have to explain actions and decisions which are called into question.

Another forum for communication and discussions could be the *company newsletter* or newspaper. Ordinarily, this would be controlled by management. But there should be a column given over to the shop stewards who collectively want to bring an issue before the company as a whole. There could also be letters to the editor, questions to managers with their answers, and brief interviews with randomly selected workers on the topics of current interest.

There should also be a *grievance procedure* for workers who feel they have been wronged by managers in terms of the company rules, regulations, and policies. The shop steward would function as the spokesperson for the worker with the grievance (who may otherwise be intimidated by the whole procedure). The political doctrine of “separation of powers” argues that abuses of power are best held in check if there is some separation of powers and authority between the different branches of government such as the legislative, executive, and judicial branches. The board of directors is the legislative branch and the management team is the executive branch in a company. A separate judicial branch would be an elected grievance committee that would function as the court of last appeal in the grievance procedure. However, since the grievance committee would be elected by the shareholders, the board of directors could also play that role as the court of last appeal. That would involve some loss in the separation of powers, but it is hard to imagine a grievance committee having much autonomy if the board and management are already in agreement on an issue. If the workers were convinced that major injustices or abuses had occurred with the concurrence of their board representatives and if the workers could not wait until the annual meeting of the Workers’ Assembly, then they should use a recall procedure to change their representatives on the board of directors.

One general principle in any democratic organization is that those who are not in direct positions of power should have the organizational ability to voice and discuss their concerns. This is the idea of the “*loyal opposition*” (see Ellerman, 1988b discussing the inside role of a union as the loyal opposition in a democratic firm). “Opposition” is not always the right word since the idea is not to always oppose current management but to have enough *independence* so that opposition could be voiced whenever deemed necessary. That, for example, is why there should be some worker-elected representatives, herein called “shop stewards,” who are not part of management’s line of command, and that is why the shop stewards should chair at least part of the shop meetings. The need for some such loyal oppositional structure is obvious when workers only have a minority ownership position in a hybrid firm, but it is also needed when workers have majority or 100 per cent of the ownership. Periodic election of directors is often insufficient to keep management accountable so the watchdog role of the oppositional structure is still needed in the majority worker-owned company.

The American ESOP is a separate external trust with its own governing committee. It sometimes has its own decisions to make—independent of company decisions. For example, the ESOP might accumulate contributed funds and use them to buy back the shares of departing workers. In the simplified hybrid structure recommended here, the ESOP is internalized as part of the company so there is no separate trust with its governing committee. Nevertheless, there will be some “ESOP decisions” that are decisions of the collectivity of workers, not decisions of the board or management of the hybrid firm. The suggested structure is that the worker representatives on the board form the subcommittee to function as the “*internal ESOP governing committee*.” They would decide, for example, whether dividends would be passed through to current workers, or whether the accounts would be credited and the cash paid out to rollover the oldest account entries.

An important program in a hybrid democratic firm is the *internal education program* [see Adams and Hansen, 1987]. The whole idea of being part of a democratic decision-making organization might be new to the workers. The workers might be accustomed to taking orders from an authority figure. The workers have stepped out of their subordinate “employee” role to become worker-owners in a horizontally interdependent organization. They have a whole new set of rights, responsibilities, and concerns. They need to develop skills for discussion and participation in meetings, to learn something about the business side of the enterprise, and to read simplified financial statements and capital account summaries.

Responsibility should be pushed down to the lowest feasible level through worker *participation and quality-of-working-life (QWL) programs*. Worker ownership creates the possibility of substantial increases in motivation and productivity, but it is not automatic. Ownership must be realized at the shopfloor level through worker participation in order to deliver the maximum effect on productivity.

# Chapter 7: *Self-Management in Former Yugoslavia*

## **Introduction**

The Western press and many Western scholars look at the world in bipolar terms: capitalism or (state) socialism. State ownership and central planning have failed to deliver a modern economy so “socialism” is being abandoned in favor of capitalism. But the reality is more complicated. There are many “socialisms” and there are many “capitalisms.” If “capitalism” means a decentralized economy of independent firms with definite property rights and interrelated by input and output markets, then that also fits certain types of “socialism.”

There are two broad traditions of socialism: *state socialism* and *self-management socialism*. State socialism is based on government ownership of major industry, while self-management socialism envisions the decentralized firms being worker self-managed and not owned or managed by the government [see Horvat *et al.*, 1975].

It is a thesis of this book that an economic democracy, a market economy of democratic firms, represents a common ground for the East and West. There are forces of convergence towards that common ground from both sides. An economic democracy could be seen as the humanization and democratization of a market economy where the renting of workers is universally replaced by democratic membership in the firm. An economic democracy can also be represented as the result of decentralizing and democratizing a state socialist economy in favor of a market economy of self-managing firms.

## **Yugoslavian Self-Management: Pitfalls of a Pioneer**

The current economic reforms in the transitional economies actually began with Yugoslavia (see Sacks, 1983; Estrin, 1983; or Prasnikar and Prasnikar, 1986) which from the 1950s moved from the state socialist model towards a model of self-management socialism.

The only genuinely new model—i.e. different from the various versions of the basic Soviet-type model—already in existence, is the Yugoslav model. [Nuti, 1988, p. 357]

Being a pioneer is not all glory; the pioneer may stumble many times like one who walks at night holding the lantern behind him—of no help to himself but illuminating the path for those who follow.

In the former Yugoslavia, there was no centralized command planning over production. The enterprises were embedded in factor and output markets. The workers in each enterprise elected the workers' council which, in turn, through a committee structure selected the enterprise director. Legally, the director is responsible to the workers' council and the collectivity of workers, but there were strong indirect influences from the League of Communists (the party) and/or the various levels of government. The assets of the enterprise were considered to be "social property." Even though the assets may have been built up by retained earnings (that could have been paid out as pay bonuses), the enterprise only had use rights over the assets and the workers have no individualized claim against the company for the value of those assets.

In the Yugoslav self-managed firm, the two membership rights, the control rights and the net income rights, were at least partially assigned as personal rights to the workers in the firm. The assignment of the control rights to the working collectivity of the firm was attenuated by the hegemony of the League of Communists in the surrounding social structure, e.g. in the local government. The assignment of the net income to the workers was also attenuated since the income that accrued to the workers was a function of the disposition of the income. If the income was paid out in wages and bonuses then it accrued to the workers. If, however, the income was retained in the firm, then it reverted to "social property" and the workers lost any recoupable claim on it.

The weakness in the net income rights can be traced to the treatment of the third right in the traditional ownership bundle, the rights to the value of the net assets of the firm. That right was treated as disembodied "social property." The problems in the former Yugoslav economy, of course, could not be traced to any one source. But surely one of the most important sources of malfunction was this social property equity structure which had broad ramifications for efficiency and motivation throughout the economy.

If retained earnings become social or common property, the workers had less of a long-term interest in the company. Reinvestment of earnings to buy a machine might not penalize younger or middle-aged workers who would be around to depreciate the machine. But an older worker near retirement or a worker thinking about leaving the firm would be simply losing what could otherwise be a pay bonus. Since the different responses are due to different time horizons with the firm, the original property rights deficiency is called the "*horizon problem*" of the Yugoslav firms [see Furubotn and Pejovich 1970, 1974; Ellerman, 1986b; or Bonin and Putterman, 1987].

It might be noted parenthetically that there is a whole academic literature on what is called the “Illyrian firm” [see Ward 1967; or Vanek, 1970] named after the Roman province that became part of Yugoslavia. The main peculiarity of this model is that it assumes the firm would expel members when that would increase the net income of the surviving members. The resulting short-run perversities have endeared the model to capitalist economists. Yet the Illyrian model has been an academic toy in the grand tradition of much of modern economics. The predicted short-run behavior had not been observed in Yugoslavia or elsewhere, and worker-managed firms such as the Mondragon cooperatives take membership as a short-run fixed factor [see Ellerman, 1984b]. Moreover, in spite of intensive academic cultivation in the Illyrian field for almost two decades, not a single practical recommendation has emerged for the structure of real world labor-managed firms—other than “Don’t start acting like the Illyrian model.” Hence we will continue to treat the Illyrian model with its much-deserved neglect.

The valuable analysis of the property rights deficiencies in the “social property” structure of many labor-managed firms is often packaged together with the perversities of the Illyrian model in academic literature. Yet the two are quite independent. Property rights problems arise with labor taken as a fixed factor and for a wide range of firm objectives. Unlike the Illyrian model, the academic analysis of the property rights problem in labor-managed firms is an important contribution to the theory and practice of workers’ self-management.

With social property, the incentive is to distribute all net earnings as pay (wages and bonuses) and to finance all investment with external debt. The resulting consumer demand and the upward push on money supply to satisfy the demand for loans will both fuel inflation—which had become a serious problem in the former Yugoslavia.

The social property structure also creates an unnecessary bias against bringing in new workers. Economic necessity as well as government regulation in the case of Yugoslavia would lead social property firms to retain some earnings to finance investment in firm assets (in spite of the pressure to finance all investment by borrowing). One way the workers could try to recoup “their investment” was through higher wages—which, in part, were an implicit rent on the new assets. Any new workers would receive the same “wage” for the same work but would not have contributed to that investment. Allowing new workers in would be forcing the old workers to share the rent on their implicit equity. Thus the social property structure led to a bias against new workers—who often had to find jobs as “guest workers” in Northern Europe. With the system of internal capital accounts, the old workers receive the rent or interest on their explicit account balance, that rent is not shared with new workers, and thus that forced-rent-sharing bias against new workers is removed. The problems with social property equity structure can be solved using the Mondragon-type individual capital accounts.

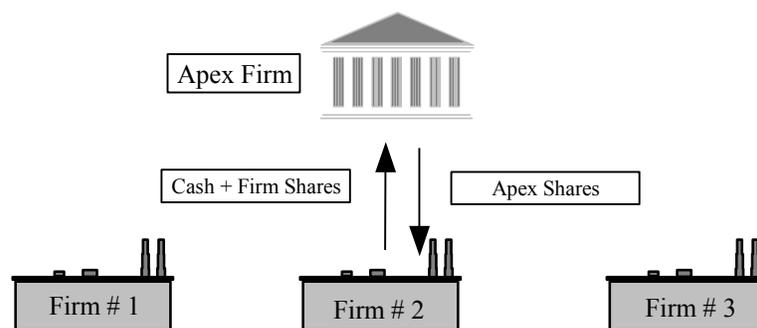
## A Decentralizing Model for Restructuring Large Firms

The restructuring of ownership should be accompanied by splitting up and decentralizing the huge firms so as to reduce socialist gigantism at one end of the scale and to fill the need for small and medium-sized firm at the other end at the other end of the scale. The resulting worker-owned firms should be medium-sized or small businesses that are human-scaled, more competitive, and perhaps even entrepreneurial. They will be joined together as in a keiretsu or as in Mondragon in a federation to keep some of the benefits of acting together.

We will sketch a restructuring model might be used in transitional countries. The details might change with implementation since the actual legal constraints on restructuring will only be discovered as the restructuring takes place.

The restructuring can be divided into steps:

- (1) The workers and managers in the original socialist firm are divided into divisions perhaps with some remaining in a central unit.
- (2) The people in each division, as independent citizens, set up joint stock companies with each person making a small but mandatory contribution of cash.
- (3) The same people in the Workers' Assembly of the original socialist firm then vote to convert the firm into a joint stock "apex" company and to issue its stock to the various companies set up by the divisional members in return for some of their cash. The value of the original assets is balanced by the collective equity account, so the value of the original assets would not determine the issuing value of the new stock. The stock could be issued—as with a new company—for an arbitrarily set cash price. Each of the smaller divisional firms might own a part of the new apex company in proportion to the number of workers in the divisional firm. Some of the shares in the apex firm might be retained as worker shares for the people who remain in the original firm.



Separate Worker-owned Divisional Firms

- (4) The separate divisional firms and the remaining parent firm join together in a federation with the parent firm as the apex organization performing appropriate functions such as strategic planning, marketing for the group, import-export for the group, and settling conflicts between the divisional firms. The money paid back to the apex firm would allow it to also act as a development bank for the group.
- (5) Then each of the divisional firms buys in an ESOP-type credit transaction the assets it needs for its operations from the apex firm. The apex firm might also obtain some of the preferred (profit-sharing) or common shares in the divisional firms in exchange for the assets.
- (6) The operations of the divisions is switched over to the separate democratic worker-owned companies.

# Chapter 8: *Employee Sovereignty in the Japanese Model*

## **The Hegemony of the American Model**

Almost all the discussion of economic reform in the transitional economies has been dominated by the American (or Anglo-American) model. The Anglo-American corporate structure is presented by Western advisors and multilateral organizations as if it was the only model. It is presented as “the” joint-stock company; anything else is viewed as an immature example that will eventually evolve into the “modern” and “fully developed” model.

One problem with this exclusive focus on “the American model” is that there is a major divergence between the reality in the large American corporations and the model. The greatest and most significant divergence is the separation of ownership and control analyzed by Adolf Berle and Gardner Means in the first third of the 20th century [1932, 1967]. The large corporations with publicly traded shares (sometimes called “public corporations” where the “public” refers to publicly traded shares instead of public or state ownership) have such widely dispersed shares that the shareholders are not able to organize together to act as a coherent decision-making unit. If dissatisfied with decisions made by the firm, each small shareholder would have to incur great costs to organize other shareholders and would stand to gain only a minuscule amount. Thus the shareholders apply the “Wall Street rule” of “voting with their feet”, i.e., selling their shares.

The voting rights attached to the common equity shares fall into disuse, and the *de facto* control rights over the company fall into the hands of the managers (who typically own an insignificant amount of shares). These management-dominated companies are sometimes called “managerist” companies, and they have evolved a philosophy of “managerialism” [Enteman 1993]. According to this view, the corporate managers are endowed with a “social responsibility” to balance and promote the interests of all the “stakeholders” which include the shareholders, employees, creditors, suppliers, customers, local residents, and government. By being “responsible” to everyone, the managers are in fact accountable to no one but themselves (as one can judge by considering the levels of executive compensation and benefits in the large American companies).

The American model is held up to the world as the example of an economy operating according to clearly defined property rights. Yet, we have seen the reality is quite different. One of the crucial parts of “property rights” are the control rights, and the control rights over the major corporations in America are *de facto* held by people based on their functional role (as the corporation’s managers), not based on their property.

Conventional economics offers no explanation of how the American economy could function so well in spite of diverging at such a crucial juncture from “the American model.” Instead conventional economics downplays the “separation of ownership and control” into the “agency problem of corporate governance” where—as in any agency situation—there might be some divergence between the desires of the principals and the decisions of the agents. And then attention is focused on how the managerial labor market and the takeover market (or market for corporate control) might function to lessen the agency problem. With such soothing discussions, one can easily forget about the fundamental divergence between “the American model” of a property-rights-based economy and the reality of the managerist corporation.

### **The Japanese Model**

When any consideration is given to alternative non-Anglo-American models, the German model (with employee representation on the co-determination boards) or the Japanese model are usually mentioned. Since it now appears that early 21<sup>st</sup> century world economy will have the Asian economies of Japan and China as a major if not dominant part, we will focus on the Japanese model. It is fundamentally different from the Anglo-American model.

The fundamental principle underlying the Japanese model of mixed economy is anthropocentrism, or what Keisuke Itami refers to as “peoplism.” Peoplism is given concrete expression in the form of employee sovereignty with the corporation, and an emphasis on the independent, land-owning farmer within agriculture. This principle is clearly different from the ideological foundations of Western capitalism, and it would be incorrect to assume that the Japanese system belongs to the same regime just because it uses market mechanisms extensively and exists side by side with a democratic political system. [Sakakibara 1993, p. 4]

Post-war Japan was the original East Asian “miracle” economy, and, in spite of the hegemony of the American model in most discussions, the Japanese model may well exert a strong direct or indirect influence on the evolution of the large enterprises in China.

Many treatments of the Japanese economy focus on the role of the state and industrial policy. However, the state does not produce the products that have so successfully blanketed the world. The Japanese firm has been the main actor in this success story. Two sides of the Japanese firm need to be considered: the external connections to other business-related firms and the internal system of corporate governance.

Much of the productive power of modern Japan is contained in the financial-industrial groupings called “keiretsu” [see Gerlach 1989]. There are vertical keiretsu dominated by one firm such as Toyota and horizontal keiretsu such as Mitsui or Mitsubishi where a large variety of industries are represented within the group. Each group has a main bank that plays the leading financial role.

In the “standard American model” of a company, the insiders (managers and workers) are agents who are supposed to answer to the “owners”, the shareholders. We have noted how the large American companies have, aided by the stock market, gained “separation” from the shareholders and a degree of managerial autonomy through a strategy of atomizing shareholdings. The insiders in large Japanese firms have gained their autonomy from the shareholders through the strategy of cross-ownership. Shares are, in effect, exchanged with business partners so that most of the shareholding will be in friendly hands. The firms are thus tied together both by business and by shareholding.

A high proportion of the holders of Japanese equity have more to gain from the other business they do with the company whose shares they hold than from profits or capital gains on the shares themselves. They are 'committed' in interest terms because they have a stake in the actual long-term growth of the company. They are committed in practical institutional terms in that they hold the shares by arrangement with the issuing company and it is hardly thinkable that they could dispose of the holding without consulting with the company's managers. [Dore 1987, p. 113]

As long as a firm is performing satisfactorily, the cross-shareholders will defer to the managers of the firm. When a firm is in distress, the main bank typically steps in with the blessings of the cross-shareholders to orchestrate the restructuring of the firm. Thus the cross-holding creates a system of contingent self-governance—insider or employee sovereignty contingent on the company staying out of financial or business distress.

When company A owns shares in company B, and company A gets into distress, then it may ask B for permission to sell the B shares to raise some needed capital. This is considered something of a disgrace and is usually accompanied by promises to buy back the shares from the market when profitability returns. If a typically unrelated shareholder would not normally ask the permission of management to sell shares in the company, then those shares are called “floating shares”. Ordinarily, only about 20-30% of the shares in the large companies are floating shares on the stock market. The remaining 70-80% of the shares are locked into the cross-holding pattern.

With over a majority of the shares stabilized in friendly hands, there is virtually no takeover market or market for corporate control in modern Japan. The very idea of a takeover is held in disrepute in Japan.

The reason Japanese think this way is not because the Japanese spiritual make-up is particularly special, but because Japanese corporations are organized as aggregate bodies of corporate employees, and in effect the buying and selling of a company takes on a semblance of buying and selling a group of human beings. [Matsumoto 1991, p. 45]

Since the War, there have been only a handful of hostile takeovers in Japan and those were in small to medium-sized companies [see Kester 1991].

In the standard Western model of a market economy, market relationships between buyers and sellers are thought of as spot or auction market transactions. If the same commodity can be purchased from another seller at a lower price, then demand switches to the lower-cost supplier. In the Japanese economy, there is the rather different notion of relational contracting [see Goldberg 1980]. It is a long-term high-trust relationship with extensive communication along many other dimensions than just price and quantity. Relational contracting extends well outside the specific keiretsu groupings. Contractual partners might even exchange shares as a symbol of the long-term relationship.

In the Western model, shareholding is by itself a relationship; it makes the shareholder an “owner” of the company. If the shareholder has some other business relationship with the company, that is considered a “conflict of interest.” The unrelated shareholder would be interested only in the pure profit of the firm (in the form of dividends or capital gains). A related shareholder would have a “divided loyalty”—some other economic interest in the firm aside from profit (e.g., salaries or the price paid for the products)—so the shareholder would not be a pure representative of the firm. Representatives of related shareholders on the board would not

be “independent” directors. Related parties, such as workers, managers, suppliers, or customers, are external to the firm. The shareholders are thought of as the “members” of the firm whose interests (profit) define the goal or objective of the firm to be maximized.

In the Japanese firm, the shareholders are not sovereign. The returns on the shares have more of the characteristics of debt or preferred stock [see also Gerlach 1989, p. 157; Matsumoto 1991, p. 6; Dore 1987, p. 114].

Against this pattern as it has developed in the West, the common stock shareholder of the Japanese company is more in the position of a preferred shareholder in a Western company. Having made an investment that is at risk, the shareholder is entitled to a return on that investment. Therefore dividends are paid, but not as a percent of earnings but as a percent of the par value of shares in the company. [Abegglen and Stalk 1985, p. 184]

In the Japanese model, shareholding is usually symbolic of some other business relationship.

Unlike Western institutional shareholders, which invest largely for dividends and capital appreciation, Japanese institutional shareholders tend to be the company's business partners and associates; shareholding is the mere expression of their relationship, not the relationship itself. [Clark 1979, p. 86]

The board of directors would typically be made up of representatives of the related parties—firstly the managers and other long-term employees and then the banking and insurance partners, the main customers, and the suppliers.

The basic difference between shareholding as the relationship, and shareholding as being only symbolic of a relationship can be explained using the distinction between property rights and rights that are attached to a functional role (which are sometimes called “personal rights”). In the standard Western corporation, the control and current income rights attached to the common voting shares are considered to be property rights that may be bought and sold freely between legal parties. In the model democratic firm, the control and current income rights are personal rights attached to the functional role of working in the firm (so that the insiders would be self-governing in their work and would reap the positive and negative fruits of their labor). Board members should be representative of those who have this functional role. When a business entity is in a web of relational contracts, then the exact boundaries of the firm become

vague. Thus the presence of a few representatives of relational partners on the board is broadly within the bounds of the notion of a democratic firm. The insiders are represented on the board through the presence of the senior and retired managers (although there is no formal machinery for these board members to be elected by, or held accountable to, the insiders).

Although there is some danger of oversimplification in making such a statement, the most direct description of this situation is that Japanese corporations 'are controlled by, and exist for, their employees'. Japanese corporations are thus united bodies of corporate employees. [Matsumoto 1991, p. 27]

On the basis of analyses made on control structures within Japanese corporations, Takanori Nishiyama claims that the Japanese economic system has already been transformed into a system that might called 'laborism', where corporations are under the control of workers, or, perhaps, supervisory workers. [Matsumoto 1991, p. 20]

The connection between board membership and representation of those having the functional role of being “in the firm as a community” realizes part of the basic structure of the democratic firm [see Dore 1987 for the model of the Japanese firm as a community].

If the legal shell of the joint stock company is used to package a democratic firm, then the ownership of the shares must be attached to the functional role of working in the firm. Share ownership by insiders, however, has not been an important feature in the Japanese model (or the German model where employees are represented by law on the supervisory boards independent of share ownership). While major relational partners may own corporate shares and be represented on the board, the insiders in the large Japanese firms have usually not been major shareholders. If the insider or employee sovereignty of the Japanese model is to be institutionalized in a formal corporate structure, then insider share ownership using something like the Employee Stock Ownership Plan or ESOP may well be a possibility.

Another important aspect of the Japanese model is the labor system of lifetime employment. The so-called “employment relation” becomes the ultimate example of relational contracting—the identification of the worker with the firm. High trust is developed between workers and managers by managers exercising the self-restraint to not use their power to enrich themselves and to take advantage of the workers. On their side, the workers choose to be cooperative without feeling that they are exposing themselves to being opportunistically exploited by self-aggrandizing managers. That mutual cooperativeness in the high trust management-labor

relationship is the basis for the high X-efficiency of the Japanese firm [see Leibenstein’s work collected in Button 1989]. That stands in sharp contrast with the American model where managers and employees are both seen as outsiders devoted to their own self-interest who must be “monitored” by the “owners”—the unrelated (and thus absentee) shareholders—to protect “the interests of the firm.”

A simple cooperative action game (of the prisoners’ dilemma variety) can be used to illustrate the difference between a company based on low trust with individual optimization and a company based on high trust, identification with the firm, and cooperation [see Leibenstein 1984, 1987 for the best treatment of this approach to the Japanese firm]. The players A and B could be thought of as managers and workers (or as any two groups in the firm) who need to cooperate together to increase the X-efficiency of the firm.

		Payoff to Player B	
		Cooperate	Not Cooperate
Payoff to Player A	Cooperate	\$A+1, \$B+1	\$A-2, \$B+2
	Not Cooperate	\$A+2, \$B-2	\$A, \$B

Typical Cooperative Action Game

If each player chooses the individualistic not-cooperate action, then they receive the non-cooperative payoff of \$A and \$B. If they cooperate, then the total results increases by (say) 2 which we assume is evenly split to arrive at the cooperative payoffs of \$A+1 and \$B+1. But if one party opportunistically chooses the individualistic non-cooperative option when the other party acts cooperatively, then the total result remains the same (no increase without cooperation of parties) and two units are shifted to the rent-seeking party. The strategy pair (Not Cooperate, Not Cooperate) is the dominant equilibrium solution. No matter which strategy one player chooses, it will always pay the other player to take the non-cooperative action. But that non-cooperative outcome (\$A, \$B) is dominated by the cooperative outcome (\$A+1, \$B+1) which is better for both parties.

This prisoners' dilemma-type game is a generic representation of the countless cooperative action situations that occur continuously and at every level in the complex multi-person productive operation of a firm. In each given situation, effective monitoring and enforcement might be applied at a certain cost to change the payoffs and thus assure the cooperative outcome. But this “external” neo-classical solution is hardly feasible over the countless cooperative action situations that occur in a complex team operation. The Japanese company uses the alternative “internal” solution of developing a corporate culture of cooperation that leads to a virtuous circle or high level self-reinforcing equilibrium. This cooperative culture is feasible in the Japanese

company because the managers and workers are the members of the community and will reap the joint fruits of their cooperative efforts.

The following table summarizes these and many other areas of contrast between the American or Anglo-American model company and the Japanese model company [see Clark 1979, or Dore 1987 for similar tables]. It should be remembered that a comparison is made between models. As was previous noted, the large American companies function somewhat differently in practice.

<b>Characteristic</b>	<b>Anglo-American Model Company</b>	<b>Japanese Model Company</b>
Residual Claimants	Shareholders	Long-term member-workers
Entity	Property of shareholders	Community of members
Company board	Representatives of shareholders	Council of community elders with representatives of major related organizations (e.g., main bank)
Role of management	Agents of shareholders	Senior leaders of community
Management self-interest	Assumption of individual maximization of reputation in managerial labor market (non-cooperative strategy)	Assumption of cooperative leadership to make company prosper and maximize reputation within firm (cooperative strategy)
Monitoring of management	By board and ultimately by shareholders and market for corporate control	By management elders/peers and bank representatives on board
Role of shareholders	Owners	One of stakeholder groups along with suppliers and customers
Shareholder interest	Maximization of company profit (assumption that shareholders are normally unrelated to company)	Shareholding often symbolic of business relationship, the latter being the primary economic interest. Little attention to unrelated floating shareholders.
Transactions with related shareholders	To be controlled by independent directors or forbidden by "firewall" regulations	Normal part of relational contracting where shareholding is symbolic of business relationship
Dividends	Paid-out share of profits	Quasi-fixed like dividends on preferred stock
Role of long-term workers	Contractual employees	Members of community
Worker interest	Assumption of individual maximization (non-cooperative strategy)	Assumption of cooperative action to make company prosper (cooperative strategy)
Organized worker representation	Trade union (adversary relation based on workers versus company)—your jam or my jam	Enterprise union (oppositional relation loyal to company)—our jam today or our jam tomorrow
Source of labor efficiency	Allocative efficiency based on labor mobility	X-efficiency based on labor immobility
Labor training	Responsibility of worker as it increases value on labor market—training for specific skills	Responsibility of company since immobility allows company to benefit—training for general skills
Job definition	Extensively specified job definition to limit opportunism	Job flexibility and low monitoring based on worker commitment to company
Wage determination	Rate for job determined by market	Rate determined by seniority and assessed merit
Response to	Reduce employment and other direct costs to	Maintain employment, reduce hours, and

secular decline	maintain profits	retrain workers for new product lines
Relations to suppliers and customers	Auction market contracting based on assumption of mobility and exit leading to greater allocative efficiency	Relational contracting based on assumption of immobility and voice leading to greater X-efficiency

The Japanese company goes a long ways towards showing how a democratic firm might operate in practice. It puts to rest the idea that the Anglo-American model is the only model that can succeed in a modern economy, and it shows that a more democratic model may also be superior in terms of efficiency and competitiveness in addition to the first principles of getting the fruits of your labor and democratic self-determination.

# *Conclusion*

## **Economic Democracy as a Third Way**

An *economic democracy* can be roughly defined as a mixed market economy where the predominance of economic enterprises are democratic worker-owned firms (see Dahl, 1985). It differs from capitalism primarily in the abolition of the employment relation. The relationship between the worker and the firm is membership, an economic version of “citizenship,” not employment. It differs from (state) socialism in that the firms are democratic worker-owned firms, not government-owned firms, and the firms are interrelated by a market economy with various degrees of macro-economic guidance furnished by the government.

Economic democracy is a genuine third way that is structurally different from classical capitalism and socialism. It can be viewed as an outcome of evolution starting either from capitalism or from socialism.

A capitalist economy within a political democracy can evolve to an economy of economic democracy by extending the principle of democratic self-determination to the workplace. It would be viewed by many as the perfection of capitalism since it replaces the demeaning employer–employee relationship with ownership and co-entrepreneurship for all the workers.

A state socialist economy can evolve into an economic democracy by restructuring itself along the lines of the self-management socialist tradition. It would be viewed by many as the perfection of socialism since the workers would finally become masters of their own destiny in firms organized as free associations of producers.

There is more to an economy and certainly more to a socio-political system than the form of economic enterprise. Yet we have intentionally focused only on the firm—not on broader economic or social questions. This has been quite feasible due to the traditional neglect of the firm in both capitalist and socialist economic theory. In neo-classical economics, the firm is seen as a technologically specified black-box or, from the institutional viewpoint, as a piece of property, a capital asset—not a community of work qualifying for democracy. Socialist theory, from Marx onwards, has been notoriously silent about the “socialist firm.”

## **First Principles**

### *The Labor Theory of Property*

The democratic firm is grounded on first principles, the twin pillars of the labor theory of property and democratic theory.

The analysis began by setting aside what we called the “Fundamental Myth” that residual claimancy is part of the ownership of the means of production. The whole question of the ownership of the new assets and liabilities created in production (which accrue to the residual claimant) has been suppressed in capitalist economics because those assets and liabilities were taken as part of the already-existing ownership of the means of production. By simply considering the case where the physical means of production are rented or leased, we can see that the residual claimant appropriating those new produced assets and liabilities could be different from the owner of the means of production. The ownership of the capital used in production only determines to whom the residual claimant is liable for the used-up services of capital.

Having conceptually separated the residual claimant’s role from the capital supplier’s role, we then turned to the normative question of who ought to appropriate those new assets and liabilities created in production. We applied the standard juridical principle that legal responsibility should be assigned to the *de facto* responsible party. Regardless of the causal efficacy of the services of capital and land, only the intentional actions of persons can be *de facto* responsible for anything. Thus the people involved in a productive enterprise, the managers and workers, are *de facto* responsible for producing the outputs and for using up the inputs. By the standard juridical principle, they should therefore have the legal liability for the used-up inputs and the legal ownership of the produced outputs, i.e. they ought to be the residual claimant.

This argument is none other than the old “labor theory of property” usually associated with John Locke restated in modern terms using the language of jurisprudence. The argument also makes sense out the peculiar dual life that Locke’s theory has always had; it is taken as the basis of private property as well as the basis for a radical critique of capitalist production. We found that there was no contradiction in that outcome. Labor is the natural foundation for private property appropriation, and capitalist production—far from being “founded on private property”—denies that labor basis for appropriation. In that sense, it is private property itself that calls for the abolition of capitalist production (i.e. the employment relation) so that people will always appropriate the positive and negative fruits of their labor.

This same idea occurs in a rather oblique form in the socialist tradition as the “labor theory of value.” The labor theory of value has always had two rather different interpretations: labor as a measure of value, and labor as a “source” of value or, rather, of what has value. The measure version of the labor theory of value has been a complete failure—and, in any case, it had no interesting normative implications. Thus capitalist economists want to stick to the measure version of the theory (since it is a failure) and state socialists also want to stick to it (since it has no implications against state socialism). The alternative source version of the “labor theory of value” is the labor theory of property disguised in “value talk.” It has direct implications against

capitalist production in favor of the democratic firm, and it has direct implications against state socialism in favor of the alternative tradition of democratic self-managed market economy.

The end result of this reformulation of the basic issues is that a new “villain” emerges, the employment relation. The villain of capitalist production is not private property or free markets (far from it), but the whole legal relationship of renting, hiring, or employing human beings. It was the employment relation that allowed some other party to hire the workers so that together with the ownership of the other inputs, that party would be the residual claimant.

An old inalienable rights argument, originally developed against the self-sale contract, was applied against the self-rental contract, the employment contract. As illustrated by the example of an employee obeying an order to commit a crime, *de facto* responsible human actions, i.e. labor services, are not factually transferable—so the legal contract to transfer labor is natural-law invalid.

Instead of abolishing the employment relation, state socialism nationalized it. Substituting state ownership of slaves for private ownership would not abolish slavery, and substituting employment of the workers in the name of the “public good” for employment in the interest of “private greed” does not abolish the employment, hiring, or renting of workers.

Only the democratic firm—where the workers are jointly self-employed—is a genuine alternative to private or public employment.

### *Democratic Theory*

The residual claimant has the direct control rights over the production process. The application of democratic principles to work has thus been clouded by the Fundamental Myth that residual claimancy is part of the ownership of the means of production. As the leasing movement in the former Soviet Union discovered, the renting or leasing of capital separates the direct control rights over production from capital ownership.

The ownership of capital only gives the owner an indirect control right, a right to say “No, you may not use the capital,” the right to make the worker into a trespasser. To acquire the direct control and authority over workers, the capital owner must also be an employer. Indeed, a “capitalist” is a capital owner who is also an employer. Without the employment relation, a capital owner is not a “capitalist” but is only a capital supplier to worker-managed firms.

The same logic holds when the capital owner is a corporation. Of course, the shareholders have the control rights over the *affairs of the corporation*. But it is the employment contract or its opposite, a capital leasing contract, that determines whether the “affairs of the corporation”

include authority over the workers in the production process (when labor is hired in) or simply the leasing out of capital to the workers or some other party undertaking the production process.

Traditional liberalism's inability to significantly raise the question of applying democratic principles to the workplace (see any standard economics text) has been fostered by the public/private distinction. Democracy governs in the "public" sphere while property supposedly governs in the private sphere. But that misinterprets the rights of property. Property only includes the indirect control right, say, to make a worker a trespasser. Authority or direct control over the worker only comes from the employment relation. Property is only relevant as giving the bargaining power to make the employment contract rather than the capital leasing contract.

Capitalist liberalism has also misrepresented the whole question of democratic or non-democratic government in the public sphere as a question of consent or coercion. That is superficial intellectual history (see Ellerman, 1992) which allows capitalist production to be presented as analogous to public democracy since both are based on consent. Marxists typically miss the point by questioning whether or not capitalist production is "really" voluntary. The real point is that there is a whole liberal tradition of apologizing for non-democratic government based on consent—on a voluntary social contract alienating governance rights to a sovereign, e.g. the Hobbesian *pactum subjectionis*. The employment contract is the modern limited workplace version of that Hobbesian contract.

The critique of capitalist production is a critique of the voluntary employment contract, the individual contract for the renting of people and the collective Hobbesian *pactum subjectionis* for the workplace. The critique is not new; it was developed in the Enlightenment doctrine of inalienable rights. It was applied by abolitionists against the voluntary self-enslavement contract and by political democrats against the voluntary contractarian defense of non-democratic government.

Today's economic democrats are the *new abolitionists* trying to abolish the whole institution of renting people in favor of democratic self-management in the workplace.

It might be noted that we have purposely refrained from emphasizing the efficiency arguments customarily used in favor of the democratic firm. Both capitalism and state socialism suffer from the motivational inefficiency of the employment relation. Thus efficiency provides the principal "practical" reason for the two-sided evolution in the direction of greater participation and democracy in the workplace.

But efficiency considerations always leave the structure of rights under-determined. If it is only efficiency that counts, then non-democratic structures can always be designed to try to *simulate* participative democratic structures (e.g. profit-sharing and participation programs in

capitalist firms). If a simulation fails, then there will always be other variations that might provide a better simulation.

Real social change, when it comes, is driven by ideas and principles, not simply by “efficiency considerations.” Absolute government as well as slavery sagged after centuries of inefficiency, but it was their illegitimacy in the light of first principles that drove the democratic revolutions and the abolition of slavery in the eighteenth and nineteenth centuries. Thus we have focused on the basic principles that drive towards economic democracy.

### **The Democratic Firm**

The democratic firm was defined by showing how the conventional bundle of ownership rights is restructured and reassigned so as to satisfy democratic theory and the labor theory of property.

Democratic theory is implemented in an organization by treating the ultimate direct control rights, i.e. the voting rights to elect the board, as personal rights assigned to the functional role of being governed.

The labor theory of property is implemented by assigning the rights to the produced outputs and the liabilities for the used-up inputs whose net value is the residual or net income to the functional role of working in the enterprise.

Thus the twin pillars of democratic theory and the labor theory of property imply that the two membership rights, the voting and profit rights, should be assigned as personal rights to the functional role of working in the firm. Since the membership rights become personal rights, the democratic firm becomes a democratic social institution rather than the traditional piece of property.

The remaining rights to the net value of the corporate assets and liabilities remain property rights represented in the internal capital accounts. The individual accounts represent property originally put in by the workers (e.g. membership fees) and the net value of the fruits of their labor reinvested in the firm.

### Restructured Ownership Bundle in a Democratic Firm

Membership rights (#1 & #2) assigned as personal rights to worker's role.	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) are property rights recorded in internal capital accounts.	3. Net asset rights to the net value of the current corporate assets and liabilities.

The system of internal capital accounts is not an afterthought. It is an integral part of the structure that corrects the property rights deficiencies of “social property” involved in the self-managed firm.

#### **Worker-owned Companies in the USA and Europe**

The best examples of democratic firms in the world today are the worker cooperatives in the Mondragon group of the Basque country in Spain. One of their important social inventions is the system of internal capital accounts which they pioneered over the last quarter century.

Another major example of worker ownership in the West is the employee stock ownership plan or ESOP developed in the United States over the last 20 years and more recently in the United Kingdom. The ESOPs have been heavily promoted in America with tax advantages so that there are now about 10,000 ESOPs covering about 10 per cent of the workforce. The real innovation of the ESOP is allowing the workers to use the leverage of the company to take out a loan to buy stock, and then to have the company pay back the loan as a tax deductible expense. The ESOP also uses a trust to keep the worker shares from being individually salable and thus it provides ownership stability that is important to get the long-term commitment of the workers and managers to the firm.

The lessons of the Mondragon-type worker cooperative and of the democratic ESOP were combined in a new model, the *hybrid democratic firm*, which could be implemented in other countries of the East and West.

#### **Employee Sovereignty in the Japanese Firm**

The Japanese-model firm is quite important in the history of the development of the democratic firm because it demonstrates that a firm with employee sovereignty (although without democratic worker ownership) can not only survive but prosper in the modern economy. Instead

of being inefficient, it has set the standards in productivity and quality for the rest of the world to follow.

### **The Democratic Firm and East/West Convergence**

In the West, democracy will not forever remain alien to “what people do all day long.” Even without explicit worker ownership, many firms in the capitalist world (including Japan) are evolving in the direction of recognizing the workforce as the primary stakeholders or “owners” of the firm. The ESOPs and other worker-owned companies are only the tip of the iceberg in this long-term trend in the direction of the democratic firm.

In the world of transitional economies, centralized state socialism is giving way to social market economies where worker ownership is a major form of ownership.

The East and West are thus showing signs of convergence towards the common ground of the democratic firm.

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\* The findings, interpretations, and conclusions expressed in this paper are entirely those of the author and should not be attributed in any manner to the World Bank, to its affiliated organizations, or to the members of its Board of Directors or the countries they represent.



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## **The Goldilocks Zone of Integral Liberty: A Proposed Method of Differentiating Verifiable Free Will from Countervailing Illusions of Freedom**

*by T.Collins Logan*

“The basis of a democratic state is liberty; which, according to the common opinion of men, can only be enjoyed in such a state; this they affirm to be the great end of every democracy. One principle of liberty is for all to rule and be ruled in turn, and indeed democratic justice is the application of numerical not proportionate equality; whence it follows that the majority must be supreme, and that whatever the majority approve must be the end and the just. Every citizen, it is said, must have equality, and therefore in a democracy the poor have more power than the rich, because there are more of them, and the will of the majority is supreme. This, then, is one note of liberty which all democrats affirm to be the principle of their state. Another is that a man should live as he likes. This, they say, is the privilege of a freeman, since, on the other hand, not to live as a man likes is the mark of a slave. This is the second characteristic of democracy, whence has arisen the claim of men to be ruled by none, if possible, or, if this is impossible, to rule and be ruled in turns; and so it contributes to the freedom based upon equality.”

Aristotle, *Politics*, Book VI, Part II (trans. Benjamin Jowett)



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The objectives of this paper are to outline what “verifiable free will” might be, what it isn’t, and some of the criteria with which we can go about making assessments. Why would we want to do this? In part because of a seeming prevalence of confusion around individual and collective liberty among both popular sentiment and academic discourse, and a perceived need for evaluation metrics that can inform our thinking about this topic and, potentially, approaches to future research regarding individual sovereignty and free will in general, as well as the formation of new practices, policies and experimental pilots. Too often such discussion finds itself mired in ideological assumptions and philosophical syntax that have little basis in observable evidence, and consequently are closed to multidialectical analysis, exploration of revised conceptions, or incorporation of existing alternative perspectives and approaches. This is one reason I have chosen to paint “free will,” “freedom,” “liberty,” “autonomy” and “individual sovereignty” with the same brush, because all of these terms have been used or abused to a similar degree in course of various arguments over time, and all of them deserve to be liberated from lingering distortions.

Why the “Goldilocks Zone?” Because a thriving of liberty is dependent upon specific conditions; it is not a pre-existing state, but an evolutionary one. And the conditions that foster freedom are quite similar in many of their characteristics to the conditions that foster the evolution and sustaining of life itself, occupying a narrow field of parameters that, when they become either exaggerated or constrained, abruptly cancel out the possibility of progress and indeed threaten annihilation to liberty itself. The Goldilocks Zone analogy emphasizes the tenuousness of the proposition of authentic liberty, the necessity for our individual and collective conscious participation in the formulation and execution of free will, and the ease with which it can be lost. In previous work I have described this generative conditionality as an “optimal range of function” or “the fulcrum’s plane,”<sup>1</sup> without which any number of essential factors of human well-being are either improbable or impossible. As it turns out, authentic freedom is just one more essential factor that falls neatly into this qualitative and quantitative band of dependencies.



## What is Free Will?

First we require a working definition for “verifiable free will,” one that allows us a modicum of flexibility and clarity in defining its key factors, as well as the possibility of empirical validation. Here is what I would propose:

*Free will is a synthesis of the subjective felt experience of free will, the intersubjective social agreements that ensure it, the interobjective systems and conditions that facilitate self-determinant choices and activities, participatory mechanisms that support and moderate these factors in the most diffused and egalitarian ways, and objective metrics for all of these factors that continually assess their efficacy and contribute to an ongoing synthesis.*

To better define the key factors of a synthesis of integral liberty:

1. *Subjective felt experience of free will* as individual sovereignty over choices from moment-to-moment, as well as regarding future plans, as observed in the energization and active expression of four primary drives (*to exist, to express, to affect, and to adapt*).
2. Ongoing, constantly renewed and reinforced *intersubjective social agreement* that individual sovereignty should be collectively supported and maximized, acknowledging that without such agreement and intent, individual sovereignty will inevitably be either compromised, interfered with, or entirely inaccessible. Further, there should be ongoing communal engagement and dialectic around this agreement and its characteristics; this is a dynamic rather than static process, and would need to be customized to unique variables at cultural and community levels.



3. *Interobjective systems, conditions and artifacts* that foster the felt experience of individual sovereignty and ongoing *intersubjective social agreement*. Although still malleable and customizable, there would likely be little debate about these universal processes, and they would have cross-cultural value and representation as relatively static features and functions of society. Thus these become social objects, systems, artifacts and conditions that relate to each other and society in fixed ways, rather than via dialogical dynamics between individuals and groups.
4. *Participatory mechanisms with built-in accountability* for supporting, enriching, moderating and promoting all other factors in the most egalitarian, diffused and distributed fashion. These could include distributed, daily direct democracy; Open Source initiatives and petitions; regular community meetings and online forums; participatory economics; worker-owned cooperatives; community management of banks and land; as well as civic lotteries for citizen commissions and all levels of polycentric governance networks.
5. *Objective metrics* employed at frequent and regular intervals for all of these factors to assess their ongoing efficacy in generating the greatest authentic liberty, for the greatest number, for the greatest duration.

As all this builds to a conception of what I have christened *integral liberty*, so I should give credit where credit is due. Those familiar with Ken Wilber's AQAL proposals will recognize approximations of his four quadrants in the descriptions of these key factors. A Wilberian organization was not my deliberate aim when writing this paper; on the contrary, I was quite surprised to find all of the considerations I had ferreted out falling so neatly into the AQAL quadrants. But there it is – Wilber's proposals seem to work quite well in this instance, though how I have utilized them to organize information may not be what he might intend for this topic. Another caveat I would raise is that the boundaries of key factor



categories are rather fuzzy, tending to interweave or interject themselves into each other to such a degree that firm AQAL delineations become less helpful. But as overlapping, interdependent and interpenetrating semantic containers, they can still add clarity as placeholders for further discussion.



## Subjective Felt Experience

*Subjective felt experience of free will* as individual sovereignty over choices from moment-to-moment, as well as regarding future plans, as observed in the energization and active expression of four primary drives (*to exist, to express, to affect, and to adapt*).

The first factor, *subjective felt experience of free will*, has a specific connotation in this context. To fully define and appreciate that experience would be a substantive undertaking in itself, but thankfully some viable approaches to conscious will have already been accomplished by others. Daniel M. Wegner's work explores the concept in detail and provides an excellent outline of the phenomenon. From Wegner's *The Illusion of Conscious Will* (2002): "Apparent mental causation suggests that the experience of consciously willing an act is merely a humble estimate of the causal efficacy of the person's thoughts in producing the action." (p. 336) In other words, conscious will is what appears to us, subjectively, as a causal relationship between what we conceive and intend, and what actually occurs. But Wegner clarifies that "people experience conscious will quite independently of any actual causal connection between their thoughts and their actions." (p. 64) He then provides a wealth of evidence to support the theory of apparent mental causation. This tentative relationship between what we perceive as our own agency and what actually occurs is an essential differentiation, because it points us to supportive social frameworks and environmental conditions *without which the subjective felt experience of free will would be that much more fallible and elusive*.

But what constitutes the subjective felt experience of "free" will? It would follow from Wegner's work that this would simply mean that we *perceive* our causal efficacy to be unconstrained; we both anticipate and routinely confirm that our individual agency is not systematically impeded by other forces or factors, and we can observe an ubiquity of the same conditions for others. As an inevitable feature



of existence, we of course recognize that there are natural/physical, societal/ethical, relational/moral and situational/conditional boundaries to our own agency – this is what every three-year-old must begin to learn – but we willingly adopt these constraints and obligations as a matter of our empathic, compassionate and prosocial integration with the rest of humanity. These are the reciprocal, mutually beneficial boundaries that allow free will to flourish for everyone in society – rather than a yoke imposed by forceful, coercive oppression – and we will discuss how these concepts are embedded in political obligation more thoroughly in a moment.

But what does this “free will” feel like? How can we recognize it? This is where four primary drives handily come in, as they can define the *interior* components of our will even as they describe its *exterior* expressions. As proposed in Integral Lifework, these drives include:

***To exist.*** In a subjective sense, this constitutes our awareness of the self as an apparently independent consciousness, physical organism and force of will that experiences and interacts with the other consciousnesses, organisms and forces within its environment. As that awareness evolves, it will change in quality and scope, and its relationship to everything else will change as well. Ultimately, if we become aware of the essential Self – as a unitive, undifferentiated experience of All-Being – this will tend to obliterate previous egoic conceptions of individual identity. However, this does not mean that such previous conceptions and experiences are less important, or that they do not persist in some form throughout higher states. The point is that in all such progressions, *existence* is an a priori assessment of the condition we inhabit...even if we question the foundations of that existence (i.e. the nature of perceived reality) or regard our experiences as tenuous, compartmentalized, or incomplete.

So then, what does the “freedom to exist” look and feel like? Is it the freedom from existential threats? The freedom from persisting fears of such threats? To have some fundamental confidence that, when the sun rises tomorrow, we will awaken



to a new day in which our continued existence is assured? In this first component of liberty, all that is really required is the *subjective perception* that most conditions like these are true. There may be additional benefit in our existence-affirming judgment being rationally derived, but that may not be necessary; this is more a matter of personal belief. If I *believe* I am free to exist – free from immanent harm or annihilation – then perhaps this is enough, at least for this first factor of *subjective felt experience*.

**To express.** Speech, gestures, body language, laughter, creativity, artistry, communication, craft – all of these and more involve *expression*. Here again, do I *believe* that I have freedom to express myself in various ways? If I do, then perhaps that is sufficient. If I exercise my self-expression and nothing overtly antagonistic happens as a consequence, then I will perceive my self-expression as free and unfettered. It should be noted that this sense of expressive freedom is not really rewarded except intrinsically; like existence itself, the mere fact that I can express myself however I wish – as long as it does not interfere with the primary drives of others – is the primary benefit and privilege this freedom affords.

**To effect.** This component differs from the other three in that it evidences through influencing or altering other consciousnesses, organisms and forces within our environment. It is of course intimately tied to the other three, in that it acts as a mirror of our *existing, expressing and adapting*; it offers us proof that these conditions are real and confirms our self-efficacy. This is not insignificant, but it leads to the central conundrum of individual sovereignty: what are the boundaries of personal freedom? When must I voluntarily reign in my *effect* on others, so that their liberty is not impeded? And how can I best calculate such boundaries, especially if I am ignorant of the extent of some *effect* that I produce – if there are unintended consequences to my actions? This is something we will need to address, but for now we can at least posit that if there is *a certain degree of effect* that is observable from what I will to happen, then I can experience the feedback loop of this freedom and have it subjectively affirmed. Interestingly, there will also



be moments of magical thinking, where an individual perceives an *effect* that they believe is of their making, but which really isn't caused by them. Even this may contribute to the perception of free will. But for now, we can at least say that whenever we look upon what we have accomplished, and feel a sense of affirming satisfaction, it is the regularity and extent of this feeling that enriches and confirms our liberty to ourselves.

***To adapt.*** Can I change and grow? Can I learn and apply my knowledge to new situations? Can I explore the boundaries of my volition, knowledge, self-expression and effects on my environment, so that I maximize my individual sovereignty and the subjective felt experience of liberty? Can I evolve, and observe real benefits of that evolution? If these opportunities are afforded me without arbitrary restrictions, then my ability to *adapt* is confirmed, and my freedom is complete. This is the final component of the subjective felt experience of free will because it relies on the other three components to define and generate itself, just as *adaptation* also facilitates those other three. As a small child learns how to safely thrive within its environment, it constantly collects knowledge and techniques to *adapt*, so that it can *exist*, *express* and *effect* to its heart's content within the dynamics of each new situation.

So this is what I would propose the *subjective felt experience of free will* looks and feels like. It should be noted that a persisting theme in human history has been the deliberate attempt, by those who have the greatest power and influence in society, to generate these felt experiences in those who are to be ruled. This is the nature of "bread and circuses" and the engineering of a distracting spectacle for the masses. For if I *believe* that I am free – if I experience even a close approximation of empowerment and liberty in *existing*, *expressing*, *effecting* and *adapting* – then I just might overlook any subtle constraints or interference that carefully boundarize my will. This is one way countervailing illusions of freedom are created and maintained.



Even in modern democracies we find this dynamic in play. In the U.S., for example, we are provided democracy as a pressure relief valve for collective aspirations and dissatisfactions; we vote, believing that who and what we vote for will accurately represent our desires and intentions as operationalized by our government. But then the legislation supported by the people is not enforced, the politicians who win elections do not follow through on their campaign promises, and the issues so hotly debated during those elections receive little more than lip service until the next election cycle. Meanwhile, those who can afford to lobby elected officials every day of the year, who can entice the rising stars of politics with opulent campaign war chests, and who either own most mass media themselves, or can pay for constant promotion of their agenda through that media, craft a constant quid-pro-quo in democratic government – so that government expresses their will rather than the electorate’s. Occasionally there is a victory for the people, and a sense that democratic will is being expressed and our primary drives satisfied – but we might call this “playing the freedom lottery,” in that the partial reinforcement is barely sufficient to keep the electorate coming back for more.

And of course the same is true in supposed “free market” economies, where vast monopolies control what is available for consumption while funding massive marketing campaigns to invent artificial demand, insuring which goods are perceived as most desirable. And while the introduction of enticing or disruptive new technologies and products may, for a time, create price-elastic demand, eventually price-elasticity settles into a predictable range as both production and engineered dependency rigidify. It is only because capitalist enterprises and economies are growth-dependent that resource scarcity even comes into play – as corporations continue to create artificial demand and spur consumption, the pressures on availability of cheap labor and raw materials are likewise artificially exaggerated. In such an environment, innovation is just a means of restarting the clock until a given industry arrives at a price-inelastic demand once more.



If that particular price-inelastic landscape isn't desirable or sustainable, innovation isn't the only method of upsetting the apple cart. At some point it might also become advantageous to, say, capitalize on a debt crisis, or an armed conflict, or a market failure, or terrorist threats, or any number of other mechanisms that can help reset the growth curve with some new flavor of scarcity or reshaped demand. And whether it is calamity or invention that is inspiring opportunity, it is corporations who mold that opportunity into market forces to serve their ends, under the tremendous pressures of the very expectations they create. In other words, the "freedom" of capitalist markets is as much of a countervailing illusion as U.S. democracy representing the will of the people.

I wanted to touch on these realities briefly, though they would require much more attention to fully develop. But my point is that the perception of how our four primary drives are fulfilled will influence how "free" we believe we are – and that this perception is equally important to both authentic, integral liberty and its counterfeits.

### ***Are Conventional Conceptions of "Negative Liberty" Sufficient?***

In a word, no. Both the conventional presentation of negative liberty and its representations in classical liberalism are not sufficient for the subjective felt experience of personal freedom – at least not for everyone in society, and that is our aim. In the common parlance of contemporary political discourse, negative liberty mainly represents a formal ideal of non-interference, and one which is too far abstracted from real-world conditions to result in the *actual* subjectively felt experience of unfettered individual agency. This is fairly easy to demonstrate. If I am left manacled in a prison cell, chained to a wall with no food or water, completely unable to alter my current situation, and with no prospect of relief, I am still free to think and say anything I like. I have absolute freedom of thought and speech, but I do not have freedom of movement, and eventually I will starve to death. In this



sense, then, I only have *partial and temporary* negative liberty. To remedy this partiality, I will need to be set free from prison, have my manacles removed, and have access to food and water. All right then, let's say I'm set free.

I now have freedom of movement. Unfortunately, in my current half-clothed, filthy, half-starved condition, I still do not have access to food and water, and because I am fresh out of prison, *I also don't have the supportive means to procure it*. I have no employment, no lodging, no property...nothing at all that I can trade for sustenance. And if I live in a society that advocates private ownership of most of the resources around me, then my lack of supportive means definitively results in *an inability for me to alter my condition*. My only recourse would be to either beg charity from my fellows, or steal what I need to survive. Some might argue that I could simply find employment and thereby earn my way out of deprivation, thus recovering my ability to exercise freedom, but such a proposition indicates a glaring lack of personal experience with abject poverty. Why? Because my current condition is desperate – I am weak from hunger and barely clothed, and even if I were to gain immediate employment, I certainly will not have the physical and mental energy or stamina to work hard enough or think clearly enough to succeed at any task for more than a short time. These conditions continue to indicate that I lack the supportive means to alter my situation, *even though no one is actively interfering with my freedom to pursue such means*. Thus a lack of basic supportive means equates interference with liberty, regardless of my abilities or intentions.

This is, I suspect, why proponents of “positive” liberty have had significant practical problems with classical liberal conceptions of negative liberty; it tends to remain *partial and temporary* even when some supportive circumstances are improved. In this example, I have freedom of thought, freedom of speech, freedom of movement, freedom to advance my condition, and zero interference from anyone else to remedy my own plight. I have been afforded complete and unimpeded negative liberty by society. But I am not really free, because the socioeconomic conditions in which I find myself interfere with my fundamental opportunities to survive and



thrive; my physical and material deprivations effectively rob me of liberties available to others *who already have supportive means* (which, it should be noted, they may have earned themselves, or which may a gift of circumstance, social status, marriage, or family and friends). Thus without an equivalency of supportive means – in this case without equivalent access to food, clothing, shelter and employment – I will be unable to exercise freedoms available to everyone else, freedoms which those who may have obscured the fundamental nature of liberty will inevitably take for granted.

However – and this is a crucial point – the supportive means to maintain liberty are nearly always only granted to those who have reliable foundations for liberty, and (again in the real world) these foundations include more than simple physical health and basic material resources. To be truly equivalent, all people must have access to the same quality of education, the same ability to travel over distance, the same flexibility and availability of free time, the same assurance and quality of justice and collectively approved rule of law, the same quality of care for mental and physical health, and so on – such things clearly being *in addition* to the aforementioned freedom of thought, speech, movement and the minimum facilities of material and physical well-being. Without these foundations, aspirations to liberty are just desires without facility. In addition, for negative liberty to be effectively equivalent for all members of society, it must also be blind to cultural barriers created by social class, race, gender, age and indeed any stigmatizing characteristics that do not, in the actuality of a person’s day-to-day achievements and demonstrated potential, alter their abilities or performance. In other words, all people must also have access to the same freedom from prejudice.

The stark reality of anyone’s subjectively felt experience of individual freedom will be framed by all of these conditions; to ignore their significance is to misunderstand how liberty itself comes into being – how it is created and maintained by society, rather than magically endowed upon a lucky few who have access to plentiful resources, pursuing their intentions without the tremendous resistance and



competition experienced by the less fortunate. Misunderstanding this reality is a fundamental error of individualism, which views the world self-referentially, fixating over self-entitlement, self-reliance and the defense of egoic freedoms, without appreciating the relationships of that self to everyone and everything around it. By embracing a more interdependent perspective, we can give prudence to approaches that appreciate the dynamics of co-creative freedom, contextualizing the social self amid relationships with everyone else...and *everything* else (i.e. community, the environment, other polities, culture and history, and other levels of interaction not yet identified, etc.).

From the perspective of the poorest members of any market-based society, these foundations for liberty are often perceived as the perks of the affluent, as inaccessible as they are rare. From the perspective of the affluent members of that society, these foundations are frequently perceived as the natural consequences of one's focused effort and native intelligence. Both perspectives are flawed, because what is really at the heart of the disparity are societal expectations of private property and individual wealth accumulation in a commercial exchange economy, and the consequent capacity for individuals to transfer that property and wealth to whomever they choose – most often their own offspring, friends and peers, and members of like-minded affiliations. That is, to transfer the foundations of liberty to those of their choosing, resulting in the exclusion of those not chosen. I call this *the tyranny of private ownership*, and like all of the other conceptions discussed here, it too has also been collectively created and maintained by society.

In the case of modern State capitalism, we have a collective acceptance of a market-based economy – enabled by property laws, contracts and financial systems enforced by the State – in which assets may be accumulated without restraint, then fluidly translated into social advantage, political influence and legal power, also facilitated by the State. And while attempts to secure the foundations for liberty via the State (i.e. civil rights laws, socialized infrastructure and services, polices to counter discrimination, social welfare for the poor, democratic controls, etc.) have



had varying degrees of success, the amplification of supportive means that individual wealth accumulation and control over property affords has routinely either undermined or far exceeded these State-enforced efforts at equalization.

This is, in fact, how private ownership has become increasingly tyrannical, directly interfering with the liberty of anyone who does not have such accumulations of wealth or control over property. And as long as any society perpetuates such tyranny, the natural consequence will be that some individuals and their families will have ample foundations of liberty available to them, while the rest of society will not. As long as private property and individual wealth accumulation are central features of a given economy, that economy will inevitably tend towards feudalism – no matter how artfully disguised its feudalism may be in Constitutionally enshrined liberties – because of the corrosive force that concentrations of wealth inevitably produce.

Thus the formal concept of negative liberty must be contextualized in real-world experiences, experiences which point toward much broader, more egalitarian structures that support civil society, and a much more precise and multifaceted formula of intersubjective agreement, in order for freedom to exist at all. To clarify, I do not mean various levels of *ability* or *opportunity* to exercise freedom, *but the freedom itself*. In this sense I concur with G.A. Cohen’s evisceration of these differentiations with respect to wealth in his lecture, *Freedom and Money* (2001), where he artfully describes how “poverty demonstrably implies liability to interference.” As he writes:

“Consider those goods and services, be they privately or publicly provided, which are not provided without charge to all comers. Some of the public ones depend on special access rules (you won’t get a state hospital bed if you are judged to be healthy, or a place in secondary school if you are forty years old). But the private ones, and many of the public ones, are inaccessible save through money: giving money is both necessary for getting them, and, indeed, sufficient for getting them, if



they are on sale. If you attempt access to them in the absence of money, then you will be prey to interference.”

I am simply extending this logic to include additional variables beyond wealth that have precisely the same impact on freedom – that is, as Cohen might phrase it, their “whole point...is to extinguish interference.” For the practical purposes of ensuring *actual* freedom that avoids *actual* domination, the ideal must be reconciled with the real. If my subjective experience is that my individual sovereignty is being wholly disrupted by conditions beyond my control – whether by the direct actions of others or a system in which the status quo indirectly oppresses me – then my subjective experience of unconstrained free will is effectively destroyed; I am dominated, enslaved and deprived of agency as a result of external factors. This may be difficult for proponents of traditional conceptions of negative liberty to accept or appreciate, especially if they are unable to see beyond their own privileges and status. But I think it long overdue for our society to take responsibility for the oppressive harm narrow conceptions of freedom ultimately impose on anyone who lacks appropriate foundations for liberty.

Now, does this mean that notions of “positive liberty” – that is, authorizing and enforcing conditions that allow everyone the same opportunity, means and ability to exercise free will – are somehow more comprehensive or correct? Not necessarily, because the aim of creating a level playing field can also impose constraints on unwilling parties, so that they subjectively feel coerced and oppressed. I think when advocates of positive liberty include interior freedoms, these are important considerations, and we will address them shortly. But the assumption that the power to self-actualize – the granting of the subjective experience of free will – should somehow be authoritatively enforced as an unqualified empowerment or entitlement is indeed a precarious, often paternalizing road, clearly having the potential to interfere with liberty. At the same time, if we focus only on negative liberty in terms of simplified conceptions of external interference, we are also likely



to neglect some of the more nuanced but persisting impedances to felt experiences of personal freedom.

Is there a way out of this seemingly polarizing maze? One pragmatic approach is, I suspect, to examine the concept of interference to a more exacting degree.

### ***What Substantive Interference Actually Looks Like***

Although generations have idealized Thoreau's pastoral solitude near Walden Pond, imagining an equally idyllic flavor of personal freedom and self-governance through his musings, his was not a life very many people are gifted the opportunity to live. That said, Thoreau's life and work – along with the ideas we have explored so far – hint at some of those nuanced but persisting interferences with individual sovereignty and liberty. First we should include Thoreau directly in our discussion by quoting him from "Life Without Principle" (1863):

"Perhaps I am more than usually jealous with respect to my freedom. I feel that my connection with and obligation to society are still very slight and transient. Those slight labors which afford me a livelihood, and by which it is allowed that I am to some extent serviceable to my contemporaries, are as yet commonly a pleasure to me, and I am not often reminded that they are a necessity. So far I am successful. But I foresee that if my wants should be much increased, the labor required to supply them would become a drudgery. If I should sell both my forenoons and afternoons to society, as most appear to do, I am sure that for me there would be nothing left worth living for. I trust that I shall never thus sell my birthright for a mess of pottage. I wish to suggest that a man may be very industrious, and yet not spend his time well. There is no more fatal blunderer than he who consumes the greater part of his life getting his living. All great enterprises are self-supporting. The poet, for instance, must sustain his body by his poetry, as a steam planing-mill feeds its boilers with the shavings it makes. You must get your living by loving. But as it is said of the merchants that ninety-seven in a hundred fail, so the life of men generally, tried by this standard, is a failure, and bankruptcy may be surely prophesied."



Thoreau goes on to say a great many things regarding freedom – that it should encompass political, moral and economic freedom, as well as the freedom of expressing ideas; he also implies that freedom from an overabundance of stale, dyspeptic and paltry ideas, and from idle amusement, are also desirable. In his social criticism, Thoreau consistently rejects a majority of societal, institutional and political expectations in favor of a richly developed individual interiority. It is that wealth of interior life that constitutes true freedom for him, along with ample time to pursue it. Perhaps most famously, in “Civil Disobedience” he makes a case for freedom of conscience to resist all unjust government, writing, “Let your life be a counter friction to stop the machine. What I have to do is to see, at any rate, that I do not lend myself to the wrong which I condemn.” Here again the self-determination of the individual becomes preeminent, and any expectation of the State is deemed unjust unless Thoreau has personally conceded it. In *Walden*, just to add a finer point, Thoreau also makes clear that freedom from owning furniture is also extremely important to him.

To follow Thoreau’s reasoning to its logical conclusion, we could propose that many elements of modernity consistently interrupt our individual freedoms. These include things like population density fueled by overpopulation and urbanization; excessive technology-dependence; fierce competition for resources and artificially maintained scarcity; ignorance unmitigated by education; egotistical arrogance promoted as a cultural norm; financial barriers to opportunity and risk-taking; the acquisitiveness and inequality excited by generations of private ownership; short-sightedness regarding externalities and a lack of appropriate caution; and so on. Extending our critical view of most societal institutions, traditions and expectations, the list could become quite extensive. We could further say that such interferences are either external in nature, or internal in nature but reinforced by external conditions, and that they could even be described as *variations of poverty*, in that they amplify deprivation of a rich interiority, and place boundaries on individual self-determination that have not been voluntarily conceded. Addressing these variations of poverty in some way would then seem the wisest course for



encouraging liberty for all – again because they directly affect the *subjective felt experience* of liberty for everyone who operates in the spirit of Thoreau’s musings regarding the freedoms of a simple but richly imagined life.

We can also approach this from another angle. Consider for a moment this quote from E.F. Schumacher’s *Small Is Beautiful* (1989 reissue, p. 208-209):

“The best aid to give is intellectual aid, a gift of useful knowledge. A gift of knowledge is infinitely preferable to a gift of material things. There are many reasons for this. Nothing becomes truly ‘one’s own’ except on the basis of some genuine effort or sacrifice. A gift of material goods can be appropriated by the recipient without effort or sacrifice; it therefore rarely becomes ‘his own’ and is all too frequently and easily treated as a mere windfall. A gift of intellectual goods, a gift of knowledge, is a very different matter...The gift of material goods makes people dependent, but the gift of knowledge makes them free – provided it is the right kind of knowledge, of course.”

Schumacher is referring to knowledge that helps people become self-sufficient – less dependent and more free – and this also speaks to the means and ability to exercise liberty, and the nature of interference. If I supply you with very inexpensive food that clouds your ability to think and enervates your motivation, I can appear to be generously removing one aspect of interference (access to basic sustenance) while amplifying a much more harmful type of interference (enervation and crippled judgment); I can rob Peter of quite a lot in order to pay Paul just a tiny bit. If I then make this cheap supply of fuzzy-brain food excessively convenient – available at practically every corner market and country store – while buying out local farms and seeding what few independent farms remain with some genetically patented crops I own...Well, all of this is okay because it is just “business as usual,” a justifiable strategy in service to cost-saving efficiencies that also, quite helpfully, thwart competition. It’s a win-win – despite the reality that now consumers no longer have access to fresh, nutritious, locally produced food, or to a healthy diet that promotes mental and physical energy, or to the knowledge of how to feed their family without my products.



Along similar lines, when tobacco companies spend millions on propaganda to persuade consumers that e-cigarettes are not only safer than traditional cigarettes, but can actually help people quit smoking, they may appear to be concerned about consumer health and liberating their own customers from dependency, when really their agenda is to enslave more nicotine addicts and increase profits. And so it goes. Share cropping, the truck system, wage slavery, the company store, sweat shops...since the beginning of the industrial revolution, these systems of exploitation and domination have been presented time and time again as *opportunities* – for gainful employment, self-betterment, liberation from poverty, or the possibility of self-sufficiency – when they were actually designed from the ground up to subjugate, subdue and enslave. And all of these situations are essentially “material gifts in lieu of knowledge;” the enticements of individualistic materialism in lieu of actual freedom. And how does this substitute freedom interfere with the real thing? By creating *artificial dependencies*.

In fact I would go so far as to assert such *artificial dependencies* are at the causal headwaters of nearly all antagonisms to authentic liberty, insidiously undermining its cultural and institutional foundations, and amplifying all manner of poverty. Why? Because they so often seek to constrain, discredit or obfuscate the knowledge that leads to self-sufficiency. There is even useful language that groups all such influences together into one semantic container: *the infantilization and/or toddlerization of adult human populations*. Although we may frequently become distracted by some of the agents that emerge further downstream, insisting that those instead are the real interferences to liberty, I think we can trace most of them back to these practiced patterns of manipulation.

Bear with me as I take a brief detour to illustrate this point:

**What is the dominant feature of successful commercialistic consumerism?**

The dominant feature is a specific psychology that consumers believe, at a fundamental and persistent level of self-concept, that they are helpless infants,



completely dependent on the goods and services being sold them in order to obtain happiness, social status, success in friendship and love, existential safety and security, physical health, skills and abilities, and so on. Every desirable quality of life is projected onto an external consumable, rather than modeled or taught to be internally generated. In this way, commercialistic consumerism supplants love, trust, personal responsibility and meaningful relationships with the soft, warm teat of its externalizing psychological dependence. In essence, the more a marketing campaign can successfully infantilize consumers, the more a company can rely on an ever-increasing dependency of those customers to bolster revenue. Thus such marketing campaigns will either appeal to the “lowest common denominator” perceptions of wants and needs – or create artificial wants and needs that are shiny and new – in order to induce more suckling.

### **Why do many conservatives dislike welfare programs and “the Nanny State?”**

Because, on the one hand, they see how overreliance on government programs can cause recipients to avoid personal responsibility, take advantage of benefits and dishonestly exploit those support systems. And, on the other hand, they see how bureaucratic regulation seems to treat individuals who may *want* to take personal responsibility or risks as if they were helpless babes in need of constant oversight, guidance and protection. In other words, they see how a large government bureaucracy that has become disconnected from the day-to-day realities of its citizens tends to infantilize or toddlerize those citizens into “lowest common denominator” recipients of goods and services.

**What is the prevailing driver of poverty and income inequality?** Using the same techniques of commercialistic consumerism to persuade and infantilize the general public, in concert with coopting the legal and political mechanisms of the State to serve their ends, the wealthy can place their self-serving agenda at the forefront of public discourse. This represents infantilization on two fronts: first, the plutocrats themselves display a remarkable fixation on their own self-gratification, promoting what will benefit themselves or their class to the exclusion of everyone else, with



little awareness or compassion regarding their negative impacts on others; and second, those who participate in fulfilling the plutocratic agenda – whether elected officials, naïve and uneducated voters, or bureaucrats reflexively fulfilling the letter of the law – are acting without sense, in impulsive reaction to the shiny baubles others have invented and placed in front of them, alternately fascinated by the movement of their own hands, or throwing a tantrum when they don't get their way.

**What is the prevailing force behind jihadi terrorism?** This terrorism is also primarily the result of infantilization and toddlerization. Terrorists self-infantilize when they view themselves mainly as victims of oppression, ostracization, marginalization and humiliation. When they objectify the engines of capitalist exploitation and the immorality of Western culture as “the Great Satan,” it is a magical projection of their own fears and inadequacies onto a Bogeyman in the closet, a classic feature of the toddler's narrative. At the same time, those corporate capitalist engines, and the excesses that often accompany commercialistic culture have, in fact, exploited and oppressed poor, uneducated, tribalistic cultures all around the globe for multiple generations, priming the pump for resentment and rebellion. The violent ideology of Islamist extremism (as differentiated from Islam) then becomes a helpful framework within which to both justify self-infantilization and act out against local and global infantilizers...but it is just a facilitator. It is not the source.

**What is the dominant ethos behind gun ownership and gun violence?** Well, it's fun to have toys. It's also fun to see what happens when I create action-at-a-distance – especially when it involves something moving or alive – and I don't have to reflect terribly much on the consequences. And when I'm afraid, or hungry, or tired, or angry...I can lash out, again without really considering or caring about how much damage I do. And, because there are certainly bad people in the world (although I have imagined far more of them than can be statistically validated), I can hide under my blanket with clenched fists and a lethal toy, in order to protect myself *and everything that's mine*. Sometimes, I also enjoy playing policeman, because that



makes me feel powerful and important in my own imagination, and because when someone does something I don't like, and can hurt them really badly. Then, when other people see how badly I can hurt someone with my big, lethal toy, they can become so afraid of me that they'll want to have big, lethal toys of their own. And, lastly but most importantly, if the Big Bad Wolf of my own government ever tries to take my toys away, I'll know they are really after my liberty, and I'll hold 'em off with my posse of gun-toting buddies. *What about these justifications for guns or gun violence isn't a toddlerized view of the world?* And of course such sentiments, beliefs and values are all encouraged by gun manufacturer propaganda and the lobbying of the NRA, who are understandably delighted that there are so many acquisitive toddlers in the U.S. who can be prompted to feel fearful, disempowered, persecuted and self-righteous.

**How has Type II Diabetes become an epidemic?** What foods does an infant crave? Mother's milk at first, then anything high in sugar or high in fat. Well then why not keep treating consumers as infants in terms of mass food production? As soon as possible after they are weaned from their mother's breast, why not begin feeding them the most fatty, sugary and salty foods we can find? And why not make those foods as easy to prepare, chew and purchase as possible – just process them until they are barely more substantive than puréed baby food, and put them in frozen packages, cans and jars that require zero preparation. Cream of spinach, anyone? Applesauce? Fish sticks? Milkshakes and yogurt drinks? Scrambled eggs? Spaghetti in a can? Pudding pops? Aerosol cheese? Food pouches? Instant hot cereal? It's all baby food, so convenient that all we need to do is open our mouths while cradled in the arms of the latest TV show, or comfy car passenger seat, or even our own comfortable bed. We can even have our adult baby food brought right to our home, or while we cruise about in our giant motorized baby buggies. And when we combine high fat, high sugar baby food with a self-indulgent lack of physical inactivity, we create the perfect formula for developing Type II Diabetes over time. In this situation, the food consumer refuses to grow up, and the food producer is happy to keep them in their infantilized, excessively dependent state.



**What is the psychological basis of racism?** The infant frightened by an unfamiliar face will cry, flail and even lash out at the stranger, screaming for the familiar arms of a family member. The basic emotional reflexes of racism aren't much different than this – a mistrust of the different, the foreign, the unknown, and an instinctual desire to be surrounded by a comfortably familiar sameness. The recipient of such prejudice can also react from a self-infantilizing perspective, in which they see themselves as a helpless victim, powerless and vulnerable, unable to alter the dynamics of the situation other than through withdrawal into a protective, ethnocentric bubble – or to likewise respond reflexively with rage and hostility. In one of the greater ironies of the postmodern era, those in a position of privilege and power in society, who see themselves as responsible for mending the rifts of racism in their culture, often resort to infantilizing the very people they wish to liberate; instead of creating space, opportunity, resources and foundations for liberty, so that the disenfranchised or disempowered can effectively *lift themselves up* according to their own values and culture, the privileged instead either attempt to change their own behaviors in self-oppressive ways, or try to gift power to the oppressed *within the dominant values system of the elite*, believing these changes will somehow honor and enhance the diversity around them. But these are just variations on a colonialist impulse, a misguided condescension that still disallows those who feel oppressed from being themselves or exercising their own judgments and values, and doesn't appreciate how the privileged retain their attitudes of power and superiority in the very act of *noblesse oblige*.

So many questions can be answered in the very same way. Why do so many young people remain dependent on their parents up through their twenties? What is really destroying traditional “family values?” Why do religious institutions become stagnant and corrupt over time? Why do so many people become unhappy in their marriages? How can democratic processes be so easily co-opted by the wealthy? Why does human industry so often become environmentally destructive? Why would someone be attracted to individualist ideologies over collectivist ones? All of these questions – and many more – can be framed within the context of either self-



infantilization and self-toddlerization, culturally reflexive co-infantilization, the infantilization or toddlerization of others by those in positions of power and privilege, or some combination of these patterns. Again I would propose that this is at the causal heart of *many, if not most* of the conditions that undermine liberty.

Now, returning from our detour, I think we should define what, precisely, the *variations of poverty* that interfere with liberty look like using the criteria we have assembled so far from these different perspectives. I believe they would include the following:

- **Poverty of existential security** – lack of food, shelter, clothing, safety from harm.
- **Poverty of access or opportunity for advancement** – being “in the right place at the right time” never seems to happen, no viable pathways out of one’s current situation seem available, no amount of effort seems to change these conditions, and barriers to access and opportunity persist.
- **Poverty of spaciousness** – lack of discretionary time, quiet, solitude.
- **Poverty of justice and equality** – experience of social prejudice, disruption of ability to obtain competent legal representation, inferior treatment under the rule of law, unequal treatment in the workplace, etc.
- **Poverty of economic freedom** – disrupted ability to generate disposable income or access desired goods, lack of opportunity to trade, disruption to development of desired skills and abilities, lack of employment opportunity.
- **Poverty of trust and social capital** – experience of alienation or disenfranchisement, lack of access to supportive social networks,



consistently encountering closed doors rather than open ones.

- **Poverty of self-reliance** – disrupted capacity for confidence, and lack of access to tools or experience that support a belief in own self-efficacy.
- **Poverty of education** – disrupted ability to think critically (i.e. carefully evaluate new information, challenge internalized assumptions, relax cognitive bias, escape conditioned habits), learn valuable skills, or gain a well-rounded understanding and appreciation of the world through diverse, interdisciplinary learning.
- **Poverty of common property** – lack of resources held in common, or lack of access to those resources.
- **Poverty of physical or mental health** – poor nutrition, excessive stress, unhealthy family dynamics, genetic predispositions for illness or substance abuse, subjection to psychologically incompatible or physically harmful environments.
- **Poverty of perception and awareness** – disrupted ability to see past the spectacle, perceive or process things multidimensionally, or maintain a neutral holding field while assessing complex information.
- **Poverty of emotional intelligence** – disrupted ability to interpret social cues, facial expressions, emotional content of interpersonal exchanges, or to empathize with the experiences of others.
- **Poverty of knowledge & information** – lack of access to established knowledge, or to accurate and independently verified new information.



- **Poverty of spirit** – disruption of connection with higher Self, spiritual insights and *gnosis*, and/or relationship with divine mystery.
- **Poverty of holistic perspective and vision** – disrupted ability to comprehend the bigger picture, cultivate a guiding purpose and intentionality, or to keep these in mind throughout the trials of daily life.
- **Poverty of moral development** – disrupted ability to mature past an egoic, tribal, or individualistic orientation (I/Me/Mine or Us vs. Them).
- **Poverty of love** – disrupted ability to develop compassionate affection for self and others, or experiencing a consistent lack of compassion from others.
- **Poverty of self-expression** – lack of opportunity and support for creative, athletic, intellectual or other form of self-expression.

And remember that in many cases these poverties are self-perpetuating, specifically because of the *artificial dependencies* – the variations of toddlerization and infantilization – that they create. Whether or not these generalizations resonate with your understanding of the world, doesn't it seem prudent to eliminate infantilizing or toddlerizing dynamics from human society, to whatever degree possible, so that its pressures, enticements and negative consequences can be de-energized? Would it hurt to either remove the prolific influence of infantilization and toddlerization on various forms of poverty, and poverty's reinforcement of paternalizing patterns? If so, then how? We can't force people to grow up if they don't wish to, and these patterns are the core facilitators of both unwieldy government bureaucracies and growth-dependent commercialist corporationism. In other words, in a croniest, clientist State capitalism that advocates monolithic for-profit enterprises, there is tremendous pressure to sustain these trends.



But wait...are we still navigating interference to negative liberty? Doesn't this broadening scope of poverty begin to emulate the concerns of "positive liberty" in its inclusion of internal qualities? Certainly, but only in the sense that those qualities can be inhibited or destroyed by external conditions; remember that we are concerned with the foundations of liberty here, and there is no difference between a freed prisoner who has no access to food, shelter or livelihood and a child who has zero access to education, social capital or equal justice due to race, gender, region of residence, or class. We are still focused on eliminating interference, not positively creating means and ability; we are just appreciating more variables, and with more precision.

On the other hand, the lone inhabitant of a shanty in the woods, whose self-reliance is a product of generations of sociological, economic, industrial and scientific development – resulting in sophisticated technologies, an affluent support system, a well-nourished childhood, critical thinking skills honed in the best education available, knowledge and resourcefulness grounded in the past successes others, and relatively elite social capital – is not really operating in isolation, but “on the shoulders of giants” as it were. Thoreau, after all, was a white pencil-maker's son living in a predominantly white society, who studied at Harvard, was mentored and patronized by Ralph Waldo Emerson, supported himself through the family pencil business, and only spent one night in jail for his “civil disobedience” before he was bailed out. Such were the affluence, pedigree, support, resources, social capital and privilege afforded him that he could choose “to live so sturdily and Spartan-like as to put to rout all that was not life,” and then philosophize about it. In this sense, Thoreau's means and ability to exercise freedom were positively created within the very societal conventions he railed against. It doesn't require much investigation to realize that, in the very same way, the idealized pinnacle of individual sovereignty in modern society is supported by an endless intersection of facilitative factors, like the majority of mass for an iceberg that lies below the water but is invisible to the casual eye.



So it seems that in order to maximize freedom for everyone, we are faced with some unambiguous choices: either attempt to eliminate the conditions contributing to these variations of poverty via some coercively authoritative or utopian mechanism; magically enhance human capacities to an ideal degree so these poverties have no enduring effect; theorize and fantasize about a universal individual autonomy while denying both the convergence of facilitative factors that positively enable that autonomy, and the coercive force that variations of poverty actively generate against it; or acknowledge the constraints to freedom such poverties and infantilizing patterns impose on us all, as well as the constructive realities a vast iceberg of supportive conditions necessitate, and navigate our lives accordingly. I'm not aware of other options or methods to sidestep or escape this substantive interference to liberty.

Again my intention here is also to shift the emphasis away from creating the means and ability to exercise free will as enforced by the State, and towards removing barriers to freedom in some collective fashion – that is, mitigating substantive interferences to liberty through intersubjective agreement. This may seem to be a subtle distinction, but I believe the methods of implementation shortly to be outlined will clarify significant differences – especially when we evaluate what supports our intrinsic capacities to experience and operationalize free will in more detail. Along these lines, then, what are appropriate intersubjective social agreements that foster the foundations of liberty in the most effective ways? And what are the interobjective systems and conditions that provision them?

We might assume that democracy itself is intended to moderate some of these forms of poverty, but not if we are “playing the freedom lottery.” Additionally, as far back as Aristotle's *Politics* we are warned: “extreme poverty lowers the character of democracy, so measures should be taken that will provide them lasting prosperity....” And of course as Jefferson wrote in an 1816 letter to Charles Yancey: “If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be.” These are just two of the poverties we've listed, but



they speak to the essence of our concerns. I believe only more advanced forms of democracy, together with additional foundations of liberty that are *collectively supported* for all, will be able to achieve a durable freedom. For even those who advocate the criticality of personal responsibility and choice still acknowledge the importance of collective agreement in support of that agency. As Amartya Sen writes in the Preface to *Development As Freedom* (1999):

“We have to recognize, it is argued here, the role of freedoms of different kinds in countering these afflictions. Indeed, individual agency is, ultimately, central to addressing these deprivations. On the other hand, the freedom of agency that we have individually is inescapably qualified and constrained by the social, political and economic opportunities that are available to us. There is a deep complementarity between individual agency and social arrangements. It is important to give simultaneous recognition to the centrality of individual freedom and to the force of social influences on the extent and reach of individual freedom. To counter the problems that we face, we have to see individual freedom as a social commitment.”



## Intersubjective Social Agreement

Ongoing, constantly renewed and reinforced *intersubjective social agreement* that individual sovereignty should be collectively supported and maximized, acknowledging that without such agreement and intent, individual sovereignty will inevitably be either compromised, interfered with, or entirely inaccessible. Further, there should be ongoing communal engagement and dialectic around this agreement and its characteristics; this is a dynamic rather than static process, and would need to be customized to unique variables at cultural and community levels.

First a brief consideration of political obligations. As John Simmons defines these in *Moral Principles and Political Obligations* (1979): “Obligations are limitations on our freedom, impositions on our will, which must be discharged regardless of our inclinations.” (p.8) It doesn’t matter if we want to do them or not, such obligations would be fulfilled in exchange for certain privileges or rights; and in the context of our discussion here, political obligations are fulfilled *specifically to perpetuate the subjective experience of maximized personal liberty for all*. Following Simmons’ reasoning, any such obligations must be voluntary rather than compulsory, with individuals choosing to participate in a cooperative society and actively accepting their contributive responsibilities. Simmons finds none of the justifications he examines for political obligation – tacit consent, act-utility, fairness, gratitude, natural duty, etc. – to be sufficient or compelling for any citizen to subordinate individual sovereignty to the authority of the State. Only in narrow circumstances does Simmons find consenting citizens to be morally bound to their obligations. In fact he makes so many exhaustive and carefully reasoned arguments, we might be discouraged from attempting to address the inadequacies he describes. But instead, we can take an entirely different tack regarding political obligations. As a morally binding alternative, our acceptance of and investment in political obligations can arise from what I call *the unitive principle*.



In essence, the *unitive principle* arises out of compassionate regard for ourselves and our fellow human beings; as I desire what is best for myself and others, I accept the mantle of social responsibility that maximizes the greatest benefit for the greatest number for the greatest duration. Here love generates the moral force compelling my participation in political life, and being a conscious being who can empathize with and care about other conscious beings constitutes the central “particularity requirement” of that involvement. Out of compassionate regard, I can willingly and easily sacrifice some of my freedom in order for everyone else to have the same degree of liberty I do – again, because I feel concern and affection for them, and desire both their well-being and their ability and opportunity to thrive. In a very real sense, when energized by the *unitive principle* the enabling and support of another’s liberty does not feel like a moral obligation at all, but rather an intrinsically rewarding privilege. So, as with any meaningful relationship, it is love that voluntarily constrains my individual autonomy and willingly embraces mutually beneficial collective authority – an authority which itself is mutually generated, agreed upon and maintained. As I write in *Political Economy and the Unitive Principle* (2013, p. 33-34):

“Across the ages, the same pattern repeats itself: thoughts and actions that facilitate harmony, kindness and togetherness, that perpetuate mutually caring relationship above and beyond obligation or self-interest, are described with the highest moral regard....This love is not an unfocused or shallow warmth, nor is it a reflexive duty, but rather a deeply felt commitment to the happiness and well-being of others. In this lineage, that orientation is frequently referred to as *agape* - what Kohlberg aptly describes as ‘responsible love.’ In a utilitarian sense, *agape* contributes to social cohesion; it helps bind society into functional structures, facilitating collective agreement on standards of behavior, which in turn establish a baseline of mutual trust and benefit.”

This is a relatively simple exchange between each individual and everyone else in their collective, but it admittedly relies upon an adult level of moral maturity to



function well. As can be carefully surmised, radical conceptions of the primacy of autonomous, individualistic will (Robert Paul Wolff, Matthew Noah Smith, Ayn Rand et al) fall squarely in the “less mature” spectra of moral development (see Appendix A). Why? In essence, because they do not recognize the criticality of intersubjective agreements in enabling and supporting individual agency itself – that is, the necessity of mutual cooperation to actualize the foundations of individual liberty. We will address this further in a moment. It does seem that Simmons shares this insistence on individual voluntarism when he declares (p. 148): “People cannot simply force institutions on me, no matter how just, and force on me a moral bond to do my part in and comply with those institutions.” So for Simmons, as with many writers of a libertarian or anarchistic bent, an insistence on personal, voluntary choice – an uncontested individual agency – is the bedrock upon which their views of political obligation (or lack thereof) is built. But does the requirement or imposition of political obligation - or even the expectation of any form of social responsibility – really involve coerced or forceful deprivation of liberty? Must we always cast the individual’s less-than-completely-voluntary contribution to their collective in terms of Statist, authoritarian, violent oppression?

Of course not. We can easily approach a constructive authorization of involuntary political obligation that *enhances* freedom rather than suffocating it. We can begin with the argument alluded to in the previous section on Subjective Experience, which is succinctly echoed by Thomas Hill Green in his *Lectures on the Principles of Political Obligation*:

“There can be no right without a consciousness of common interest on the part of members of a society. Without this there might be certain powers on the part of individuals, but no recognition of these powers by others as powers of which they allow the exercise, nor any claim to such recognition, and without this recognition or claim to recognition there can be no right.”<sup>2</sup>



In other words, human beings can only have rights, freedoms and individual sovereignty within a politically organized body of people – there is no individual authority or autonomy at all without collective agreement – unless one is living out in the wilderness alone. It follows, therefore, that this social conditionality is itself in an uninvited imposition on individual free will; it doesn't necessarily sanctify the formation of the State or State authority, or authorize coercion to comply, or prioritize the group above the individual, or annihilate autonomous individual agency...but it establishes the principle that *intersubjective agreement is critical to supporting and perpetuating liberty of any kind.*

I would further assert that, without such agreement, individual agency will become extremely limited. Even though unconstrained individual freedom may seem ideal in the abstract, in our discussion here the subjective experience of liberty includes *expressing, affecting and adapting.* And without social community, those variables become rather empty. To whom am I expressing myself? How will I recognize that I am affecting my environment? How will I learn and grow in order to adapt – and how will I know that I am learning and growing? All of these demand a social, communal, interdependent context, rich with interactive language, shared knowledge, affirming emotional feedback from others, and the many other compounding benefits of sociality. The solitary hermit in the woods may feel subjectively free, but without the context of human relations that distinction is pointless. So we can surmise that strict adherence to voluntarism actually contributes to countervailing illusions of liberty – not only because it contradicts these realities of how freedom is constructed, exercised and experienced, but also because it tends to injure collective authorizations that benefit the common good, disrupting civil society with potentially myopic and purely self-serving noncompliance.

We might also take note John Horton's nuanced variations on these themes, where he writes in *Political Obligation* (2010, p.171):



“In understanding ourselves *as* members of a particular polity we employ what Bernard Williams has called ‘thick’ ethical concepts to characterize that understanding, and the fact of our membership of our polity figures routinely in our processes of ethical deliberation and practical reasoning (Williams, 1985, ch. 8). These reminders do not ‘prove’ that we have political obligations (whatever that might mean), and nor are the intended to do so, but they are an important part of any remotely accurate phenomenology of our ethico-political experience: they show how people commonly think, feel and act, at least *as if* being members of a polity were something meaningful. In doing so, we acknowledge that being member of a polity has ethical significance for us; a significance that is partly cashed out in terms of relations involving responsibilities and obligations. But, more than this, they show how deeply implicated and enmeshed we are in such ways of thinking, feeling and acting. For these are not marginal or trivial features of our lives, but typically play a significant role in the way in which we locate and orient ourselves in relation to other individuals, groups and institutions both within and without our polity. In short, although their importance will vary between people, across polities and over time, they form part of the conceptual and ethical fabric through which we make sense of our lives.”

Horton also elaborates that such membership is seldom voluntary, but is simply where we find ourselves in terms of social identity, place of birth or residence, family heritage, historical relations and so on. And this membership implies *associative obligations* that reflect the accepted values of our polity – obligations similar to those we experience as familial obligations to our parents, siblings and children. We may choose to opt out of certain obligations, but we generally recognize the “the goods of order and security” as benefits of our membership, and recognize a concomitant sense of responsibility.

We might also observe Charles Horton Cooley’s assertion in *Human Nature and the Social Order* (1902) that “individual” and “society” represent a false dichotomy, because what is really represented by such distinctions is a narrow conception of the self as opposed to a wider conception of the social self as part of a higher-order,



more inclusive whole. In other words, individualism is an artificial construct of a narrow self that excludes the unitive synthesis *involving both individuality and social life*. As Cooley writes (Chapter 5: The Social Self):

“That the ‘I’ of common speech has a meaning which includes some sort of reference to other persons is involved in the very fact that the word and the ideas it stands for are phenomena of language and the communicative life. It is doubtful whether it is possible to use language at all without thinking more or less distinctly of someone else, and certainly the things to which we give names and which have a large place in reflective thought are almost always those which are impressed upon us by our contact with other people. Where there is no communication there can be no nomenclature and no developed thought. What we call ‘me,’ ‘mine,’ or ‘myself’ is, then, not something separate from the general life, but the most interesting part of it, a part whose interest arises from the very fact that it is both general and individual. That is, we care for it just because it is that phase of the mind that is living and striving in the common life, trying to impress itself upon the minds of others. ‘I’ is a militant social tendency, working to hold and enlarge its place in the general current of tendencies. So far as it can it waxes, as all life does. To think of it as apart from society is a palpable absurdity of which no one could be guilty who really saw it as a fact of life.”

Cooley frames the social self even more emphatically when he writes (Chapter 12: Freedom): “man has no existence apart from social order, and can develop his personality only through the social order, and in the same degree that it is developed.”

We can even harken back to Aristotle’s conception of human beings as ζῷον πολιτικόν, “political animals” at our very nature, which seems to correspond neatly with modern research on our innate, prosocial neurological structures (see Grit Hein, Scott Huettel, Ralph Adolphs, Antonio Damasio) and the evolutionary advantages of sociality itself (see Frans De Waal, Barbara King, E.O. Wilson, Leslie Stephen). As Aristotle argues in *Ethics*, it is only in relationship to our neighbor that



virtue, justice and equity matter; they must result in “another’s good” above and beyond our own to constitute meaningful virtue.

I propose that these approaches are all dancing around a central issue: the necessity of love. If I don’t love my family members, any sense of moral obligation to them will feel dissonant and strained. To whatever degree I don’t feel affection or compassion for the members of my community, my associative obligations likewise tend to become uncomfortable and pained. There may indeed be an improvement to individual and collective evolutionary fitness through prosocial traits, but why would I care – why would anyone care – if that prosociality isn’t energized by love? Indeed why am I writing this essay, if not to communicate with others regarding something I’m passionate about, *because I love my fellow human beings?* This is one way we can arrive at the causal significance of the *unitive principle* and its application to political obligations.

But let’s return for a moment to moral maturity – important because, so often, what is perceived as occurring is a matter of both perspective and wisdom. An adolescent may not *want* or *accept* the responsibility of contributing to the family household (through doing chores, or applying themselves in school, or caring for siblings, etc.) but they are in fact morally obligated to do so, even though the institution of “family” was thrust upon them. An emerging adult may not *want* or *accept* the responsibility of striking out on their own to become financially independent, but they are likewise morally obligated to do so, despite the fact that the institution of “adulthood” may be forced upon them when parents withdraw material support. In very much the same vein, there will sometimes be political obligations we do not like and did not choose for ourselves, but which nevertheless imply a moral duty to perform, even when, as Simmons phrases it (p.154), a “great inconvenience to ourselves is involved.” That’s just part of growing up, and its moral justification becomes clear only when we have matured sufficiently to appreciate what is necessary to secure equivalent freedoms for everyone, rather than just asserting our own autonomy *in vacuo*.



Absent my compassionate affection for those who benefit, whatever limitations I accept for myself on their behalf may indeed feel like onerous duties – so this is not a desirable outcome. Our goal, then, would be to eliminate such onerousness by encouraging the aforementioned joyful willingness in its stead, and such joyful willingness is a natural byproduct of both love and the moral maturity – the adult perspective – that accepts personal sacrifice for the good of others. Once well-seasoned loving-kindness is embedded in social culture as a primary feature of personal and collective values, mutual consent to social responsibilities becomes joyfully normative rather than grudgingly dutiful; cooperation becomes a natural consequence of gratitude; fairness becomes a low bar of reciprocity that we earnestly desire to exceed; feelings of caring, connectedness and generosity cement our commitments to association; and *agape* – defined as skillful love-in-action – offers us the surest underpinnings for a shared vision of justice, in all its complexity and subtlety. Thus structures and processes that support a moral advancement grounded in love should be considered intrinsic to the foundations of liberty. As I continue in *Political Economy and the Unitive Principle* (p.41):

“Moral creativity could also be described as ‘broad-spectrum moral synthesis,’ a product of multiple intelligences within - emotional, social, spiritual, somatic, analytic - working in unison. A moral choice can be viewed as the synthesis of all of these input streams, and the breadth of our moral vocabulary as dependent on how readily we can access and integrate these dimensions of perception-cognition. For those with a limited moral vocabulary, a rigid, black-and-white, rules-oriented assessment is a safe and reliable haven for moral judgments. But the more developed our moral creativity - and the more it is infused with skillfully compassionate affection - the more we will extrapolate subtle, nuanced, multidimensional criteria that are context-sensitive, variable and graduated.”

At the same time, another important issue is one of *abstraction*: for the farther removed we are from active involvement in our own governance and the political processes of civil society, the less likely we are to appreciate the relationship



between our political obligations and the well-being of that society in whole or part. Simmons himself speaks briefly of this in *Moral Principles and Political Obligations* (p. 140) when he writes: “I do not think that many of us can honestly say that we regard our political lives as a process of working together and making necessary sacrifices for the purpose of improving the common lot. The centrality and apparent independence of governments does not make it natural to think of political life in this way.” Considering this, it seems obvious that political processes energized by the *unitive principle* need to have immediate, regular and localized feedback loops; our involvement must feel intimate, the cooperative spirit of our participation as communal as possible, and our relationship with outcomes more direct. Concurrently, our level of moral maturity will also adjust our sense of abstraction: the more expansive our social sense of self – the more inclusive its unity, and the higher its moral altitude of associations – the less removed we will feel from political life.

What are some additional considerations? One might be that arriving at formalized intersubjective agreements that consistently facilitate this exchange in a global, increasingly complex, culturally diverse, technologically accelerating society can be profoundly challenging. This is mainly due to the intersection and amplification of competing values hierarchies that postmodern variables have introduced. Where once different worldviews could either operate in isolation from each other, dominate or annihilate each other, or escape each other through geographic relocation, those temporary pressure relief valves have become increasingly scarce. As an Earthbound species that is ever more interconnected and interdependent on multiple levels, we are now forced to confront cultural and moral incompatibilities between individuals, between individuals and their communities, between one polity and another and so on – and figure out new ways to work through them. And as long as the human population keeps expanding and deepening its global interdependence, the pressure to engineer successful intersubjective agreements for any plausibly universal political obligations will only continue to increase.



Returning to the four primary drives can assist us here, as we examine the qualities any proposed *intersubjective social agreement* evokes in each of them:

**To exist.** Here my voluntary obligation to support the subjective felt experience of liberty for others will be to not interfere with their existence, *and* to help create an environment in which my fellows will not experience existential threats. Not only will I refrain from annihilating others, but I will also demonstrate a trustworthy intent to help others maintain their ongoing subjective experience of unimpeded (non-threatened) existence. As a prosocial impulse, this is the charitable inclination – the compassionate caring – that energizes the Good Samaritan and helps define what *agape* looks like, and it motivates engaging *participatory mechanisms* and other civic features that support ongoing, mutually assured survival. It seems to me that health and well-being are also endemic to this obligation, so that not only would supporting and participating in systems for mental and physical healing be part of our mutual commitments, but also that everyone receives the same quality of care.

**To express.** Here we assure others of their freedom of self-expression, and support the foundations of liberty that provide the opportunity to do so. This is what we might call *proactive tolerance*. As another voluntary obligation, I not only accept the expressions of others around me, I appreciate and celebrate them. In postmodern Western culture we witnessed a disturbing trend of commoditization of all self-expression for a time, so that by the 1980s, only the creative efforts of very few people were appreciated by a majority of consumers, and many people seemed to abandon casual interest in creative self-expression; where once there were instruments in many homes for communal musicizing, now there were only headphones and a Sony Walkman. For many years only a handful of “big name” painters, musicians, authors, actors, composers, film makers and so on were able to find any audience at all outside of an open mike café, literary salon, art gallery, or independent theater or film festival, and these few were extravagantly compensated for their privilege, while everyone else took on a second job. We also



saw parallel trends in education, where liberal arts curricula were increasingly abandoned, and in the decline of public arts funding in general.<sup>3</sup>

But thanks to the Internet, desktop PCs, on-demand publishing, and affordable recording, formatting and editing software for all types of media, the interest in self-expression gradually revived. Now, in 2015, virtually anyone can gain access to a global audience, and although arts funding and curricula are not fully revitalized, there are now revenue streams available (like those on YouTube) that encourage the most popular forms of individual creativity. In this sense, at least, as long as we maintain an intersubjective agreement that the Internet remain open and free to all, the technological barrier to universal self-expression and appreciation will become lower and lower – especially once any lingering digital divide is eliminated.

***To effect.*** Here our voluntary obligation is a commitment to enabling the freedom of substantive and effective action for others – that is, to provide *reliable foundations for liberty* for everyone – so that abstract conceptions of freedom become actual, *effective* freedom in the real world. This is where we return to basic assurances like freedom of movement; freedom of economic opportunity; freedom of health and well-being; freedom of access to access to skills, resources and cooperative assistance; freedom of knowledge and learning – all of which are grounded in a fundamental respect for mutuality. If everyone agrees to this as a facilitative standard for everyone else, all that remains is to engineer processes whereby these freedoms are enabled, and where abuses and interference can be skillfully countered.

***To adapt.*** How can others adapt if they do not have access to educational, informational, financial or other communal resources? Here we must be obligated to the higher-tier functions of civil society that encourage and sustain individual freedom to learn, grow and evolve. The bias of my own worldview is that without holistically nourishing all dimensions of our being (the basis of Integral Lifework), personal and collective healing, growth and transformation won't be fully available



to everyone. Thus one intersubjective agreement I believe would energize *adaptive* freedom is to ensure everyone has access to multidimensional self-care practices, education and information from an early age.

Alas, there will always be individuals who lack the innate sensibilities, moral maturity and willingness to appreciate these political obligations (including necessary limitations on individual agency) for the good of everyone in society. For these non-citizens, such voluntary commitments and sacrifices will continue to feel like unjust expectations or onerous impositions on their individual sovereignty. For them, compassion, empathy, cooperation and the benefits granted by liberty may simply not be adequate justification for social integrity or self-restraint, and thus their subjective experience of individual sovereignty *will not feel free*. To reiterate, however, it can be easily generalized that the only instances where coercive force is justifiable – whether through self-discipline, social conformance, or the rule of law – is when free will expresses itself in non-empathic, uncompassionate, antisocial and liberty-interfering extremes. This is the commonsensical self-bouandarizing that eludes the tantruming toddler, but is the necessary tension of all cooperative human endeavors. It is the eternal dance between unrestricted individual liberty, and the collective stability required to promote and sustain that liberty over time for everyone. A central consideration will continue to be how these two concerns interact – how individual liberty will authorize collective stability, and how collective stability will empower individual sovereignty.

This seems like a good time to reemphasize that I am not interested in advocating the formation of authoritative institutions to enforce any intersubjective agreements, and more focused on defining the *processes* whereby such agreements can be consistently formulated, actualized and maintained in dynamic ways. As already suggested, I believe it is the *abstraction* of the responsibility and accountability for governance from the electorate via civic institutions that tends to weaken democracy itself. To my mind, the “legitimacy” of any form of governance relates specifically to the intimacy, immediacy and regularity of involvement in the



governing process by its citizens. A process that invites daily, direct participation in governance at all levels therefore both enhances representation of values intersections and emergent priorities, moderates rapidly evolving complexity, and fortifies the feedback mechanisms required to ensure the viability of ongoing intersubjective agreement in dynamic ways. So too will all other intersubjective agreements require equivalent personal participation. In my view, this is the *only* way we can assure what T.H. Green called “the liberation of the powers of all men equally for contributions to a common good.”<sup>4</sup>

Along these same lines, we cannot presume that any intersubjective agreement is a tacit fact; it requires active engagement to come into being and be continually navigated and affirmed. I would even propose that participation in intersubjective agreement not be exclusive to adulthood, but be encouraged in the young as well. The scope of youthful contributions could of course be adjusted according to age and demonstrated maturity, but the sooner a young person begins participating in a reciprocal process that maximizes their liberty, the better their chances will be to understand, value and navigate their political obligations moving forward, and expand their social sense of self. As history repeatedly demonstrates, any abdication of political participation dilutes the clarity and quality of that exchange over time, until either individual freedoms are taken for granted, or those placed in positions of influence and authority neglect the interests of those whom they are intended to represent...or both. Clearly forms of direct democracy have many advantages in this regard.

So where do we start? What are the fundamental features of intersubjective agreements that foster our liberties to *exist, express, affect* and *adapt*? As alluded to in the last section, as a society we really must take time to address our conceptions around property ownership, as these inform the relationship between individual liberty and collective stability to an enormous degree. One presumption of modern capitalist property rights and contracts is the *labor theory of appropriation*: if I add value to any natural resource by my own labor and creativity, then I can claim



ownership of that as my property (a principle widely adopted from Locke's *Treatise on Government*). More simply: I create property by applying my labor, and I own what I create. This may be further qualified by the constraint that whatever value I engineer through my labor should not interfere with freedoms of others; my benefit should aim to avoid depriving someone else of such resources (Locke: "there is enough, and as good, left in common for others"), and also aim to avoid disadvantaging them in some way (Rothbard, Nozick, Hoppe, Kirzner). Thus intersubjective agreement around this mode of both property-creation and value-creation can even include compassionate consideration for the freedom and opportunity afforded our fellows. Such formulations of the *labor theory of appropriation* may sound reasonable on the surface – especially since they are widely accepted in modern, market-based societies without much critical reflection – but these are fairly outrageous and untenable positions. And here is why....

### ***Property Ownership is a Non-Rational Impulse that Interferes with Liberty***

Academic literature on this topic exists, though it is sparse. But before we explore that, let's consider some informative conditions we find in nature.

We can readily observe ownership-like behavior across the animal kingdom, from a bear scratching claw marks in a tree to define its territory, to a badger defending its den, to one elk bull battling another elk bull over his harem, to a squirrel noisily chasing away anyone coming near his home tree, to an alpha male wolf asserting his right to eat first from the pack's kill, to a Blue Jay hiding nuts and seeds for its own future use. Our understanding of these behaviors tends to be anthropomorphized, but when we observe our own dog busily peeing over every other dogs' urine, or growling at anyone who comes near when they are gnawing on a fresh bone, we intuitively grasp why they are acting this way. Someday neuroscience will let us know whether the cognitive signature of "ownership" in the minds of these animals is similar to human mentation, but for now the *emotional response* seems to be quite



similar to our own species. And this is an important distinction, because the human sense of I/Me/Mine ownership (that is, as an extension of the egoic self) can be viewed as just that: a reactive emotional response hardwired into the survival instincts of our most primitive hindbrain. The initial impetus to “own” something seems to be a vestigial reflex of our animal selves, and little more.

This is not to say that we don’t artfully rationalize those instinctual emotional responses, making them much more meaningful and justifiable to ourselves and each other, and much more calculated and critical in the broader context of social relations. But at the root of our *impulse to own*, we find the same non-rational reflex that governs ants when they swarm an intruder to their colony, or a bird dive-bombing a predator to protect its chicks. The conscious thought “if I don’t hoard, hide and protect this resource, I will not survive, my family will not survive, and my species will not survive,” is indeed a higher order acknowledgement of that reflex, but I would propose it to be the same sort of rationalizing process we engage in after any non-rational emotional upsurge – an outburst of laughter, spontaneous infatuation, a fight-or-flight response, hurtful words spoken in anger, paranoia without basis, jealousy without evidence, unfounded trust or mistrust...and so on. Yet no matter how we rationalize them, after such upsurges have passed, we often feel chagrined, apologetic or silly about them – just as our dog, minutes after leaving off the bone over which she growled at us and bared her teeth, will sit at our feet, lick our hand affectionately, and gaze into our eyes with gratitude and love.<sup>5</sup>

But let’s take a gander at the academic literature. First off there seems to be a lot less research on the psychology of ownership than I had initially expected; perhaps this is because the intuitive understanding alluded to above is so pervasive. But thankfully there has been some thoughtful and careful work in this area, and some of the more recent is offered up by Floyd Rudmin, who concludes in “Cross Cultural Correlates of the Ownership of Private Property” (1992) that:



“The institution of private property serves the security of the self. Securing possessions as private property in order to fabricate, maintain, extend, and defend the self is important only if the individual self is deemed important. If the self is valued within a culture so too should be the defensive and empowering mechanism of private property.”

And further:

“The more a society values individualism, the more preferences for dominance and private property are correlated.”

At the same time, Rudmin acknowledges that this extension of the individualistic self in property also *deprives individuals of freedom* as a social norm. As he writes in “To Own is to be Perceived to Own:”

“We are geographic beings: we must be located on and move about the surface of the planet. But how narrow and constrained is the geography of any particular individual. We are utilitarian beings: we create and depend upon objects, foods, tools, and all types of implements. But again, how limited and constrained are the options of each individual. We know where our possessory interests and property rights reside and where they do not. We limit our behavior accordingly, and we expect others to know and do the same. Indeed, it is a paradox that the autonomy and freedom allowed by rights of private possession require conformity to norms of restraint.... However, property norms are so well socialized that we little realize these constraints.”

And later, perhaps even more concisely, in an interview with <http://thescienceofownership.org/>, Rudmin reiterates ownership dynamics and their impact on freedom this way:

“Adults in a propertied world have so habituated ownership self-regulation that they are unable to see or feel the extreme self-restraint that ownership imposes on



us, as we restrict ourselves to the spaces, objects, and persons to which we have rightful access or permission of the owners. More than 99% of the world around us is off-limits to any one of us, and we rarely notice that.”

Rudmin develops his assertions and conclusions with references to a wealth of other literature on the topic, including the work of Litwinski, Heider, William James, Kant, Bentham, Hume, Locke, Aristotle, Plato and even Pythagoras. In “To Own is to be Perceived to Own” he leads us through the contrasting approaches of Litwinski and Heider, landing us on the verge of understanding what motivates and sustains property possession in society, with its contrasting “social communion values and individual agency values,” mainly nudging us toward future avenues of research. But Rudmin nevertheless nudges with a confident hand, first stating Litwinski’s view that “Property is possession that has been sanctioned by social consent as formalized in law;” then examining Heider’s cognitive balance approach: “By a balanced state is meant a situation in which the relations among entities fit together harmoniously; there is no stress towards change. A basic assumption is that sentiment relations and unit relations tend toward a balanced state. It also means that if a balanced state does not exist, then forces toward this state will arise.” (Heider, 1958, p.201) And as Rudmin summarizes an interesting outcome of Heider’s complex relations analysis: “Thus, while owners and potential owners compete for possessions and must be ever defensive, they share a common attachment and liking for the regime of private possession.” In this way, the inherent tension we would assume exists around competing ownership can be explained away as a mutually gratifying societal consensus that, well, *having stuff is fun*.

Again, however, none of this relationship with property is very rational. Even the context of social expectations around property ownership, the forces at work center around liking or disliking objects that may or may not have future utility, or liking or disliking people because they possess certain objects, or wanting or not wanting what someone else owns for no particularly coherent reason, or the unconscious



habits of social conformance in acquiring property, or the gratification of our individual whims to acquire it – all of these occurring without much conscious consideration at all. Throughout Rudmin’s analysis, we find that ownership seems more about satisfying irrational appetites, both individually and collectively, than anything else. And we can find additional research to support this view, such as in a careful examination of Dan Arielly’s *Predictably Irrational* (2010) and other behavioral economics literature. As Arielly writes (p. 173-175):

“Since so much of our lives is dedicated to ownership, wouldn’t it be nice to make the best decisions about this? Wouldn’t it be nice, for instance, to know exactly how much we would enjoy a new home, a new car, a different sofa, and an Armani suit, so that we could make accurate decisions about owning them? Unfortunately, this is rarely the case. We are mostly fumbling around in the dark. Why? Because of three irrational quirks in our human nature.

The first quirk...is that we fall in love with what we already have....The second quirk is that we focus on what we may lose, rather than what we may gain....The third quirk is that we assume other people will see the transaction from the same perspective as we do....”

So while the focus on the precise psychology and sociality of property ownership itself begs closer study, the main assertion here is that the *impulse* to own, the habit to possess and keep, is not that much more advanced than what animals demonstrate from instinct. And it happens to be a habit that not only deprives everyone in society of many individual freedoms, but also tends to create enormous inequity – regardless of the reality that most of us seem content to acquiesce and agree with the interferences and constraints to liberty private ownership imposes on us because...well, *having stuff is fun*.



## ***The Value Calculations Involved in Property Ownership are Capricious, Arbitrary and Egocentric***

The essence of the labor theory of appropriation relies on an additional conceit that human beings are the sole arbiters of all value-creation in the Universe; that is, that human activity is the only mechanism for generation and evaluation of import or utility, and that nothing preceding a human's creative imagination or cumulative effort has intrinsic value at all. This is profoundly anthropocentric, egocentric and myopic. It imbues human acts of discovery and utility with magical importance, and disregards all other systems of valuation – even those proposed by other humans – as subordinate to the I/Me/Mine school of appropriation. This is as ridiculous as it is immature, but requires additional clarification as to just how ridiculous and immature it actually is.

I need this field to plant my crops, and no other human is using it. So if I plant my crops there, adding value to the unpossessed land, I can now own the land (per the embodiment of the labor theory of appropriation in the Homestead Act, for example). But here's the rub: the land is actually home to a species of bee that doesn't exist anywhere else on the planet, and by farming the land, I destroy the bee habitat and, eventually, the entire population of that species of bee. Many decades later, it is discovered that the species of bee I inadvertently destroyed is the only species capable of resisting Colony Collapse Disorder, so that through my ignorant, short-sighted, self-important, willy-nilly appropriation of land, I have contributed to the end of pollination for a huge variety of crops, resulting in a global human diet of gruel after the remaining pollinizing bee populations have died off from CCD.

Yes, this is just a thought experiment, but how often has something similar actually happened? Humans have poisoned water supplies and aquatic habitats with mining and drilling, killed off thousands of species by destroying or polluting delicate ecosystems, made the air unbreathable for all manner of creatures (including fellow humans) in an ongoing global industrial revolution, and fished or hunted hundreds



of other species with unsustainable vigor. It seems that, although conventional value calculations insist on including interference with the freedom of other humans, they often do not include interfering with the survival of other species, biodiversity, *or even sustainable practices that allow these arbitrary, human-assigned values to be perpetuated beyond one or two generations.*

Increasingly this anthropocentric perspective is being eroded by common sense, compassion and empathy that extend beyond homo sapiens. Here again, moral evolution is in evidence. In the U.S. we have the Clean Air and Clean Water Acts, the Endangered Species Act, Australia has recognized the personhood of dolphins, and Germany and other nations have promoted the *precautionary principle* regarding new technologies and policies that could have unanticipated health or environmental impacts. With the reluctant but scientifically inevitable acceptance of human influence on climate change, countries around the globe are also aiming to curb carbon emissions. And wherever we find a Wildlife Refuge or even a National Park, our collective anthropocentrism may also have relaxed ever-so-slightly – though in many cases only when such land has no obvious commercial potential. In other words, at least some humans are finally starting to grow up a little, breaking free of myopic egocentrism to embrace a perspective that includes the *inherent value* of natural ecosystems and other species.

Even so, we are only just beginning to appreciate the importance of biodiversity and the complexity of the ecosystems on which we so casually rely, and not all humans have developed compassion and empathy for them. Additionally, many of these mature realizations only propagate because they are enforced by the State, and this presents problems of its own – including aggressive efforts of the selfish to circumvent restrictions. Even in this context, however, future-proofing for human benefit (i.e. conservation for future exploitation) often remains the more politically viable justification of any environmental protections, as we humans just cannot see the forest for the trees. Again this seems to reinforce the idea that we all have to grow up quite a bit more before we overcome anthropocentrism completely – and



especially if we expect human planning and activities to become less self-important in rhizomatic, highly distributed, Stateless ways.

That said, to further explore the failings of the labor theory of appropriation: even within the spectrum of human values-creation, we frequently find contradictory or fickle valuations – or valuations that are invented purely to justify human activities. A plant isn't edible or usable so we don't care about it, then some new process makes it commercially viable and, suddenly, we do care. We value gold for aesthetic, historical and emotional reasons, prizing it above other metals – even ones that are much more rare. A short-term consumer fad will cause some children's toy or performer's concert tickets to abruptly become scarce, precious and expensive. A longer-term collector fad will cause a particular era or style of art rise exponentially in value for a time. Two siblings didn't care at all about their mother's china collection for the entire span of her life, but, when she passes on, suddenly they fight viciously over ownership in probate court. A pharmaceutical company will use direct consumer advertising to drum up fear around a hitherto unknown ailment, fabricate data about their new drug's efficacy or hide data about its risks, and then charge exorbitantly for their product's artificial value. Solar panel installers will exaggerate the urgency of buying photovoltaic systems, so that consumers, as they rush to beat tax incentive deadlines or utility caps that are in reality still years away, pay unnecessary premiums for solar power. And although there is debate over whether an "endowment effect" really exists or not,<sup>6</sup> if it were to exist that would further support a conclusion that humans invoke value out of non-rational thin air. We are fantastic rationalizers, manufacturing value where none really exists, or justifying it retroactively. And yet we rely on these impulsive, arbitrary value rationalizations to establish proprietary rights! How does this make any sense at all?

We can also see just how hypocritical the theory of labor appropriation is when we evaluate who is willing to own any *negative consequences or externalities* of value-adding activities. Why is it that someone who adds value to something from their



own labor may benefit from this activity, but not be responsibility for deleterious consequences of that activity? A gun manufacturer can lobby Congress to lift an assault weapons ban, a high-capacity magazine ban, and other gun regulations that restrict consumer access to increasingly lethal technology, then successfully market those technologies to people who perpetrate mass shootings<sup>7</sup>...with absolutely no consequence to themselves as gun manufacturers despite having engineered a steady increase to their revenues in just this fashion.<sup>8</sup> Wall Street bankers chasing after profit, relying on fraudulent practices and unstable investment instruments, can drive the U.S. economy into a recession, causing millions to lose their homes and livelihood...while those bankers suffer no personal consequences, and instead are financially rewarded for their failures.<sup>9</sup> An educational institution can insist that a child's parents sign away their right to sue in the event of the child's injury or death with a simple waiver, release and hold harmless agreement...while first charging for educational benefits to that child in order to make a profit, then asserting credit for positive outcomes of that education (job placement, career success, cultural capital, social capital, etc.). I have always found these situations illustrative of an especially glaring form of hypocrisy. It is this mindset that quite naturally creates a situation where huge for-profit industries that are "too big to fail" can make egregious miscalculations in their business panning, then expect the American taxpayer to bail them out.

But perhaps I wander too far afield, for when we return to Rudmin's work, we discover in his 1998 "Cross-Cultural Correlates of the Ownership of Private Property: A Summary of Five Studies" that Locke was simply mistaken. It turns out that, in hunting and gathering societies like the Native Americans Locke was using to support his thesis, the theory of labor appropriation just does not hold. As Rudmin writes: "Where people do in fact gather acorns and apples, where they do hunt venison, in explicitly those conditions, private ownership tends not to be the norm. To the contrary, hunting and gathering peoples tend not to have private ownership of land or of goods. Typically, they secure their sustenance, not by private rights and not by means of exclusive access to resources, but by rights of



sharing and by means of intra-communal and inter-communal access to resources.” Locke’s assertions were, in essence, an arbitrary projection that lacked empirical grounds, and what he believed to be a “natural law” was nothing more than his own imaginative invention.

So how did we arrive where we are today? Why was Locke’s error so readily adopted by successive generations? One possibility that resonates strongly for me is the abandonment of any “bigger picture” framework (i.e. a unitive, metaphysical worldview) in favor of individualistic materialism. As Wael Hallaq describes it in his “Fragmentation of the Secular” lecture at the VIDC:<sup>10</sup> “Matter is thereby rendered ‘brute, inert and even stupid’ (Boyle). All the spiritual agencies – or anima – would be banished from the Universe, rendering matter spiritually meaningless, now [only] relevant in a materialistic, anthropocentric sense. If [natural] matter exists in a brute and inert form, then the only reason for its existence...is its service to man. It should not be surprising then that [at the end of the 17<sup>th</sup> and beginning of the 18<sup>th</sup> Centuries] leading European thought began to see Nature as the object of man and his knowledge – as a dumb and manipulable object. The modern State and its sovereign will, represented in the law, was not only an integral part of this worldview, but also one of its chief architects.” This, Hallaq asserts, created an “epistemologically shattered world” where our sole focus becomes an *a priori* will “whose predominant concern is to dominate Nature, control it, transform it, subjugate it, and sever it ontically, ontologically, psychologically and spiritually from our systems of value.” It is a world where only “brute facts” hold sway, and where, consequently, inherent value that may be metaphysical or intuited cannot be empirically validated, and is therefore summarily rejected. Could it be, then, that the same love affair with empiricism and materialism that sought to purge Nature of all her mysteries also annihilated the intrinsic worth of anything not resulting from human industry? It seems reasonable to conclude this is the case.

Lastly, I can’t help but reiterate that property rights of any kind are inherently different than other rights – for, in a proprietary society, whenever I own something,



*others explicitly do not own that thing*, and I can therefore interfere with the liberties of others (their right to use land, for example) based on my ownership, and can do so even if that ownership is grounded in the capricious suppositions of arbitrary valuation we have just illuminated. So what is a proposed solution? How can we function as a society in which all resources can be utilized by all individuals for the good of all, without the corrosive distortions and oppressions inherent to private ownership...?

***Conclusion: Possession without Ownership, and Ownership without Possession***

The concept of private property is an irrational, animalistic impulse that, at best, frustrates the mutual benefits of liberty in a cooperative society, and, at worst, progressively undermines individual sovereignty over time across all of that society. In order to achieve the subjective experience of liberty in a universal way, it seems clear that one of our primary intersubjective agreements be that private property and individualistic concepts of ownership attenuate – along with all systems that rely upon them – and that the advantages of common property and systems inspired by horizontal collectivism increase in their stead. This trajectory is also echoed by the *unitive principle* of love, which encourages us to rise above the I/Me/Mine acquisitiveness of immature moral orientations, and toward more generous, charitable and egalitarian standards of interaction. But how can we know what those concepts and systems will look like in the real world...?

Thankfully, once again this work has already been substantively initiated. Elinor Ostrom devoted much of her professional life to studying organically occurring common pool resource management and the advantages of polycentric governance. Through extensive fieldwork and cross-cultural comparisons, she uncovered a consistent set of self-organizing principles that had developed around sustainable natural resource access and utilization in several communities – and which soundly contradicted Garret Hardin’s “tragedy of the commons” being a foregone conclusion.



As described in *Collective Action, the Commons, and Multiple Methods of Practice* (2010, p.99):

“Ostrom finally dropped the idea of identifying the *specific* rules that tended to generate success. She moved up a level in generality to try to understand broader institutional regularities among the systems that were sustained over a long period of time. The concept of ‘design principle’ seemed an apt characterization of the regularities derived from this perspective. These regularities were not design principles in the sense that the irrigators, fishers, forest dwellers, and others who had invented and sustained successful common-property regimes over several centuries had these principles overtly in their minds. The effort was to identify the core underlying lessons that one could draw out from the cases of long-sustained regimes, and then to compare these successes with the failures to assess whether the failures were characterized by the same features.”

In 1990, Ostrom offered eight of these successful design principles for consideration in further research in her field. Over the ensuing years, dozens of follow-up studies were performed to empirically validate what Ostrom had proposed. In 2010, Michael Cox, Gwen Arnold and Sergio Tomás performed a detailed meta-analysis of 91 such studies in “A Review of Design Principles for Community-based Natural Resource Management.” What they found generally conformed to Ostrom’s design principles, though they also chose to expand on the original eight for greater clarification and specificity. Here is that result (Table 4, p. 38):

- 1A User boundaries:** Boundaries between legitimate users and nonusers must be clearly defined.
- 1B Resource boundaries:** Clear boundaries are present that define a resource system and separate it from the larger biophysical environment.
- 2A Congruence with local conditions:** Appropriation and provision rules are congruent with local social and environmental conditions.
- 2B Appropriation and provision:** The benefits obtained by users from a common-pool resource (CPR), as determined by appropriation rules, are proportional to the amount of inputs required in the form of labor, material,



or money, as determined by provision rules.

- 3 **Collective-choice arrangements:** Most individuals affected by the operational rules can participate in modifying the operational rules.
- 4A **Monitoring users:** Monitors who are accountable to the users monitor the appropriation and provision levels of the users.
- 4B **Monitoring the resource:** Monitors who are accountable to the users monitor the condition of the resource.
- 5 **Graduated sanctions:** Appropriators who violate operational rules are likely to be assessed graduated sanctions (depending on the seriousness and the context of the offense) by other appropriators, by officials accountable to the appropriators, or by both.
- 6 **Conflict-resolution mechanisms:** Appropriators and their officials have rapid access to low-cost local arenas to resolve conflicts among appropriators or between appropriators and officials.
- 7 **Minimal recognition of rights to organize:** The rights of appropriators to devise their own institutions are not challenged by external governmental authorities.
- 8 **Nested enterprises:** Appropriation, provision, monitoring, enforcement, conflict resolution, and governance activities are organized in multiple layers of nested enterprises.

Ostrom had carefully documented that these self-organizing resource management schemas were community-synthesized approaches that did not rely on private ownership on the one hand, or government institutions on the other. At their core, Ostrom noted that communication, relationship and trust among individuals were extremely beneficial ingredients, and that without these factors, noncooperation and resource exhaustion were much more prevalent.<sup>11</sup> At the same time, she frequently reiterated during her career that there is seldom a “one size fits all” solution to all resource management challenges, and thus she frequently turned to *polycentric governance* approaches to any complex economic system.



What is “polycentric governance?” In short, it utilizes a multi-tiered approach where input, responsibility, accountability and interaction from local, regional, national and international actors is combined to formulate and execute long-term, sustainable governance of complex (and sometimes even chaotic) socio-ecological systems. In a 2012 *International Journal of the Commons* article entitled “Polycentric Governance of Multifunctional Forested Landscapes,” Elinor Ostrom and Harini Nagendra summarized polycentric benefits this way:

“Polycentric governance tends to reduce opportunistic behaviour in forested and urban settings, even though no institutional arrangement can totally eliminate opportunism with respect to the provision and production of collective goods. Allowing citizens to form smaller-scale collective consumption units encourages face-to-face discussion and the achievement of common understanding. Creating larger collective consumption units reduces the likelihood of strategic free-riding behaviour of the wealthy. Larger units also can more effectively cope with goods and services that have large-scale effects and real economies of scale.”<sup>12</sup>

To explore Ostrom’s work is to encounter a third way of economics – not free-market-centric, and not State-centric, but a nuanced interplay between individuals, organically self-organizing community cooperation, and various scopes of formal institutional governance. It’s really as if Ostrom is grabbing hold of the butting heads of neoliberals, anarcho-capitalists and Statist progressives, gently turning them away from each other’s extremes of theoretical debate and toward an elegant, well-evidenced solution *operating in the real world*. “Look here,” we can hear her saying to them, “when people trust each other, and communicate with each other, and follow some simple design principles, they can very often solve challenging natural resource dilemmas, avoiding both depletion and opportunistic free-riding, while holding those resources as common property.” Sure, larger scopes of government need to be on-board, and production and management may ultimately engage free markets on a global scale, but the natural resources (or services, as the case may be) are neither fully socialized nor fully privatized. They are entrusted to



*the community of the commons*; in a real sense, they are not owned, but merely borrowed.

This is one way we can arrive at ownership without possession, and possession without ownership, in order to avoid the pitfalls of private property that we have elucidated thus far. When there is trust and community, and solutions are collective and participatory at that level, and in turn interface with larger civic institutions and processes that are democratically controlled, then the level of polycentric investment invites closer collaboration and cooperation from everyone involved. As Nagendra and Ostrom remind us, “Solutions need to be matched to ecological and social conditions so that participants have incentives to govern subunits of complex systems in a sustainable manner.”<sup>13</sup> This is the drumbeat we hear again and again in Ostrom’s work: such successes require localized understanding of the people and their environment, and it is from that understanding and involvement that appropriate incentives will arise. Why? Because at this level, where people are invested in their community, they care about each other, and about what happens to the resources upon which they rely.

And how do we foster trust except through mutual compassion and understanding? Isn’t each person’s love for others and the world around them again at the root of our political obligations here? Isn’t the *unitive principle* sufficient to cement those obligations and energize our ongoing commitment to them? And isn’t it worth investing in some pilot implementations to empirically validate this? I suspect that many will need more proof, though for me the link is obvious. In addition, Ostrom also warned of overgeneralizing her research, applying it to situations, resources, relationships and institutions not adequately documented through existing research. And of course this is a sound caution from the scientific tradition. But I think we have something meaningful to work with here; one of many starting points for synthesizing a new relationship with property that is less tyrannical, and more supportive of intersubjective autonomy.



## ***What About Personal Property?***

We can also derive with some confidence from the research of Ostrom and others around CPRs that individual sovereignty and original appropriation can be entirely de-linked; it is simply not necessary to own everything in sight in order to steer a course through life, earn a living, feel secure in one's social position, or constructively contribute to society. However, an important caveat for what we've discussed thus far is that *personal* property ownership may still be a necessity with respect to individual sovereignty and identity. For everything from a child's doll to a trade worker's tools, the advantages of having some form of personal property ownership – that is, exclusive control over a particular item – seem obvious. In the sense of privacy, personal control over one's living space and the property contained within it would seem to fall into the same category. Perhaps, aligning with Rudmin's assertions, such property and spaces are projections of an individualized self; regardless, I would argue they are, on some fundamental level, psychologically necessary.

The scope of such ownership will probably change from culture to culture, and individual to individual, but it seems reasonable and prudent to establish some sort of upper limit to personal property. We could also approach this scope in terms of exclusive use of common property, rather than ownership per se, either for a designated period or according to some specific need or outcome. At the same time, it is understandable that at some levels of moral or spiritual development, even personal possessions would lose their importance. But for most of humanity, a wedding ring is not precious because of its monetary value, but because of its sentiment; a favorite toy is a child's gateway to playful joy rather than a signifier of personal wealth; and a private, undisturbed room to sleep, make love or meditate is not a privilege of social status but the necessity of a richly intimate life. Thus the importance of a broad category of either personal property – or the exclusive outcome-based, needs-based or term-based use of common property – cannot be ignored.



## Interobjective Systems, Conditions & Artifacts

*Interobjective systems, conditions and artifacts* that foster the felt experience of individual sovereignty and ongoing *intersubjective social agreement*.

Although still malleable and customizable, there would likely be little debate about these universal processes, and they would have cross-cultural value and representation as relatively static features and functions of society. Thus these become social objects, systems, artifacts and conditions that relate to each other and society in fixed ways, rather than via dialogical dynamics between individuals and groups.

Having read this far, you will undoubtedly have come to suspect a chicken-and-egg conundrum inherent to the foundations of freedom being proposed. Let's say we can agree that liberty is optimized when social and economic organization at the community level is emphasized; when trust, collaboration and transparent communication are motivated by mutual affections; when private property ownership is relaxed in favor of a collectively managed commons; when civic institutions and governance at all levels are controlled at least in part through direct democracy; and when moral maturity embraces collective good above individual gratification. Okay, but how do we promote such conditions? Amid mass shootings, terrorist bombings, special interest hijacking of the political process, and left-right polarization of the body politic, how do we operationalize our *intersubjective social agreements* and the values they represent? In a world where Donald Trump can become a Republican frontrunner in a Presidential primary, where half of the U.S. electorate consistently votes to weaken democracy and strengthen plutocracy, where the democratic aspirations of an Arab Spring mainly delivered failed states and the oppressions of Islamist extremism to its hopeful populations, and where huge transnational corporations hold more power and influence than most governments...how can we ever bridge such a gap? How can we relieve the



poverties that interfere with liberty, when those most subject to them will often fight fiercely, irrationally and even violently to hold on to them...?

I believe this is where *interobjective systems, conditions and artifacts* become part of the solution. These represent the technologies, institutions, monetary systems, legal systems and so on upon which a given society is intended to function. They are created to maintain the material framework within which our liberty operates and is functionally supported. To clarify with some conventional examples: Interobjective *systems* are things like a pervasive education system or justice system; corresponding interobjective *conditions* would be the automatic cultural expectation to attend school and acquire an education, or the involvement of the justice system in regulating the rule of law; and corresponding *artifacts* would include things like a diploma or a stop sign.

The challenge for us in political economies dominated by State capitalism and private ownership is that the corporations who produce and maintain certain supportive technologies tend to prioritize their own profit-based concerns and agendas, civic institutions can become bureaucratically disconnected from both the will of the people and new values developments in society, and the rule of law can become distorted or coopted by special interests. When such distortions occur, then all of the foundations for liberty we have been discussing can be gradually eroded, forgotten, neglected, diluted or otherwise undermined. In addition, if there is too great a disconnect between *interobjective systems, conditions and artifacts* and the moral altitude and values hierarchies of the general population, that dissonance will antagonize both citizens and institutions, resulting in either paralysis, rebellion or both. I think this is precisely what we see happening in the U.S., especially in the relationship between conservative-leaning members of the electorate and federal and state governments. In this case, because a significant and highly motivated minority of the U.S. population feels that civic institutions and processes do not adequately reflect conservative values, that minority seeks to eviscerate those institutions and processes. In a substantive way, U.S. conservatives are clinging to



some of the variations of poverty that suppress their own freedom, while railing against central authority established to ensure liberty for all. From one perspective, the moral evolution of the U.S. Constitution and the embodiment of that evolution in *interobjective systems, conditions and artifacts* over time has effectively exceeded the moral maturity of an agitated and activist group of citizens. At the same time, this group and others feel so disconnected from the political process that voter apathy abounds – likely due to the aforementioned abstracting of the governing process.

So what can be done? How can the moral maturity of the U.S. electorate be revived, and all constituents reconnected to the political process of civil society? And how could similar challenges be addressed in other parts of the world? First let us remember Elinor Ostrom’s warning that “one-size-fits-all” solutions seldom have the flexibility to be universally effective, and thus a preference for polycentric proposals that can be tailored to local variables in each tier of governance. At the same time, we want to aim for ways to embody *intersubjective social agreements* that maximize liberty in the same way that a legal system aims to embody the core principles of its rule of law for everyone. Do we have proven examples of ways to accomplish all of this? I think we have all the pieces – many of which have proven reliable and sustainable – but they just haven’t yet been fit together into a cohesive whole.

Let’s take a moment to frame this in terms of cultural expectation of reward and punishment – in a way applying Ostrom’s “graduated sanctions” to both ends of the motivational spectrum. Any proposed civic institutions that reinforce and conserve the foundations of liberty as we have described them would need to reward (incentivize) the following – at least as they are expressed in recurring behaviors – in graduated ways:

- Taking personal responsibility for one’s own well-being, and the well-being of larger systems and relationships (society, immediate environment, larger ecosystems, natural resources, etc.).



- Interest in learning for its own sake, to understand complex relationships between concepts and fields of study, and to better oneself and society.
- Trust, cooperation and positive expectations of both community and government.
- Active engagement in political processes and joyful commitment to political obligations.
- Generosity, non-attachment to material wealth, sharing, etc.
- Open, cooperative, mutually supportive orientation to fellow citizens with respect to opportunities, resources and political influence.
- Prosocial behaviors and healthy emotional states (kindness, joy, tranquility, patience, tolerance, etc.).

By the same token, those institutions would need to discourage (disincentivize) the following – at least as they are expressed in recurring behaviors – in graduated ways:

- Reinforcement of infantilization and toddlerization regarding one's own well-being, and the well-being of larger systems and relationships (society, immediate environment, larger ecosystems, natural resources, etc.).
- Disinterest in learning for its intrinsic rewards and contributive benefits, elevating punitive fears of failing tests and low grades, and, via emphasis on rote memorization, disconnecting knowledge from interdisciplinary relationship and understanding.
- Mistrust, fear and negative expectations of both community and government.
- Apathy or noninvolvement in political processes and resentful avoidance of political obligations.
- Avarice, acquisitiveness, hoarding, theft, etc.
- Secretive, competitive, aggressive, hierarchical orientation to fellow citizens with respect to opportunities, resources and political influence.



- Antisocial behaviors and unhealthy emotional states (rage, jealousy, anxiety, stress, impatience, intolerance, etc.)

In our current interval of history, all manner of institutions have actually been energizing behaviors and attitudes that *invert* these incentives and disincentives, reinforcing the aforementioned poverties, and amplifying infantilization and toddlerization. Contemporary society seems to entirely contradict what both democracy and free enterprise originally set out to achieve, creating “graduated sanctions” and social structures that more resemble medieval feudalism than the advanced ideals of liberty. At the same time, these social structures have granted us a deeply felt illusion of freedom through entertaining distractions, material excesses, polemic discourse and medicating addictions – all of which carefully steer us away from recognizing or investigating our ever-increasing deprivation and servitude. It is as if modern society has taken an extended trip to Disneyland, then slowly forgotten that this is an amusement park and not reality. This happens because we receive partial satisfaction of our primary drives, an intermittent positive reinforcement akin to winning a “this makes me feel subjectively free” lottery every now and again. I won’t take the time to elaborate here on what I believe to be pervasive evidence that supports these conclusions, but would encourage you to consult both *Political Economy and the Unitive Principle*, and my essay “[Escaping the Failures of Capitalism](#),” for more extensive elaborations and resources. However, whether someone chooses to entertain these conclusions or not, the viability of the patterns we wish to incentivize and energize transparently aligns with the foundations of liberty we’ve already discussed.

### ***Infrastructure & Essential Services***

So how is this accomplished? Simply put, we can rely on *Participatory mechanisms with built-in accountability* to assist in this process, and we’ll cover those in the next section. However, those mechanisms won’t function very well – especially in our



complex, postmodern, multitiered technological, political, cultural and economic environments – without sophisticated and extensive infrastructure and services. Remember the iceberg metaphor I used earlier? Well, that massive support structure, often invisible or taken for granted, is what *interobjective systems, conditions and artifacts* will provide. This supportive infrastructure and essential services would include things like:

- **Ubiquitous Technology:** Pervasive internet communication technology and access equality; renewable energy production that is highly distributed and available to all; variations of equally available personal communications technology based on universally implemented standards.
- **End-to-End Mass Transit:** So that regular schedules of bus, trolley, train and plane can seamlessly transport people from within a mile of their homes to within a mile of any other urban or suburban destination on the planet at a relatively low cost.
- **Open Mediasphere:** All media and communications platforms, technologies, frequencies, channels and bandwidths are available to all contributors, and accessible by all consumers.
- **Equitable Legal Systems & Services:** Public funding of all lawyers and legal services; qualified judges appointed to limited terms by lottery and subject to recall votes; juries selected by lottery; adoption of Dworkin’s “Law as Integrity” or other consistency standard.
- **Protected Nutrition:** Guaranteed availability of low-cost basic nutrition; a robust and sustainable food supply (organic, genetically diverse, non-engineered); a move away from large, centralized production to more distributed, local production.
- **Universal Public Education:** For all levels of education, in all disciplines, provided equally to all applicants.



- **Universal Wellness Services:** For healing, health, well-being and self-care training and resources in all dimensions, and inclusive of encouraging moral development.
- **Universal Employment Training & Job Placement**
- **Universal Non-Profit Unemployment, Disability & Retirement Insurance**
- **Public Health & Safety Services:** Well-provisioned and staffed fire, police, ambulance, rescue, disaster mitigation, consumer protection, etc.
- **Public Housing:** Temporary public housing when pursuing education, transitioning between jobs or regions, engaging in retraining, holding public office, or during periods of disability, recovery or medical treatment.
- **Public Monetary System & Macroeconomic Stability:** Monetary system styled after the “Chicago Plan,”<sup>14</sup> and a favoring of a stable exchange rate and independent monetary policy over free capital flows.
- **Non-Profit Member-Owned Banking:** No more privately owned banks; no more privatize profits with socialized risks; no more high-risk speculative instruments.
- **Public Mail Service**
- **Reintegration Rehabilitation & Training for All Non-Violent Criminals**

Not only do these help provide a “universal social backbone” for civil society and its participatory mechanisms, they also form the basis of graduated rewards for behaviors that support the foundations of liberty for all, and graduated penalties for behaviors that undermine those foundations. There are a number of ways to enable accountability, but one would be a permanent database that tracks accumulated and expended *social credits*. These credits could only be used in the utilization of the essential infrastructure and services like those listed above, and they could not be traded. Although everyone would be granted monthly recurring baseline credits (in the spirit of Douglas’ National Dividend and other conceptions of a “basic income”), those credits could be increased – and potentially decreased – based on the *quality* and *quantity* of a) formal participation in civil society (direct democracy, citizens



commissions, jury duty, etc.); b) creative, inventive, intellectual and technical contributions to culture; c) demonstration of compassion, service to others, and moral maturity; d) improvement of community, advocacy of interculturalism, conflict resolution, group leadership, etc.; e) structural improvements, such as mitigation of human impact on natural environments, CPR management streamlining; etc.; and so on – I would anticipate hundreds of such “supporting the foundations of liberty” categories, most of which directly correlate with the relief of some variation of poverty. And of course behaviors and activities that antagonize the foundations of liberty and increase poverties would also need to be carefully defined.

Want to dedicate yourself to enriching society with your creativity, intellect, hard work and generosity? You will earn extra credits. Have a tendency to disrupt the well-being of your neighbors, cause harm to the environment, enrich yourself in unethical ways, abuse your position of authority, or perhaps circumvent all political obligations? Then your credits will not rise above the baseline – though they would also not drop too far below it, as that might incentivize more criminal behavior. Perhaps there could be other penalties as well, such as variations in the quality of certain services. Will there be folks who try to game the system? Sure, which is why there also need to be system monitors who are themselves accountable democratic controls.

### ***The Transitional Role of The Wealthy***

Yet another chicken-and-egg dilemma also presents itself: How can we provide a robust “universal social backbone” without relying on either an oversized federal government or equally gargantuan for-profit corporations? And how could we engineer graduated incentives and disincentives for the foundations of liberty when there is reflexive and aggressive resistance to doing so from all-of-the-above...? To answer the first question, we will need to concurrently develop robust *participatory*



*mechanisms* outlined in the next section. To answer the second, let's return for a moment to Aristotle (*Politics*, Book VI, Part V):

“Yet the true friend of the people should see that they be not too poor, for extreme poverty lowers the character of the democracy; measures therefore should be taken which will give them lasting prosperity; and as this is equally the interest of all classes, the proceeds of the public revenues should be accumulated and distributed among its poor, if possible, in such quantities as may enable them to purchase a little farm, or, at any rate, make a beginning in trade or husbandry. And if this benevolence cannot be extended to all, money should be distributed in turn according to tribes or other divisions, and in the meantime the rich should pay the fee for the attendance of the poor at the necessary assemblies; and should in return be excused from useless public services. By administering the state in this spirit the Carthaginians retain the affections of the people; their policy is from time to time to send some of them into their dependent towns, where they grow rich. It is also worthy of a generous and sensible nobility to divide the poor amongst them, and give them the means of going to work. The example of the people of Tarentum is also well deserving of imitation, for, by sharing the use of their own property with the poor, they gain their goodwill. Moreover, they divide all their offices into two classes, some of them being elected by vote, the others by lot; the latter, that the people may participate in them, and the former, that the state may be better administered. A like result may be gained by dividing the same offices, so as to have two classes of magistrates, one chosen by vote, the other by lot.”

If the nobles of ancient Carthage and Tarentum could voluntarily share their wealth and political power, then part of the solution is today's elite volunteering along similar lines – in this case within a much more complex environment and with new technologies and tools, but with similar intent. If the wealthiest members of today's society jointly agreed to support the formation of a “universal social backbone” and propagate new memplexes that prioritize the foundations of liberty, this would not only remove barriers to engineering a freer society, but accelerate its reification. One of the more beneficial *interobjective systems, conditions and artifacts* would therefore be an organized commitment from the established elite to sustain this transition. Consider, for example, if the world's most influential think tanks, affiliations and families were to adopt the attenuation or eradication of *all variations of poverty* previously alluded to as their primary agenda, and used their



extraordinary resources to champion authentic freedom. What greater legacy could there be?

At the same time, top-down approaches tend to fail if they don't coincide with grass-roots activism – for the problem intrinsic to *noblesse oblige* operating in the vacuum of self-referential values arises once again. Instead we must remember what Paulo Freire elegantly articulates in *Pedagogy of the Oppressed* (rev. ed. 1996, p.50-51):

“The oppressed, who have been shaped by the death-affirming climate of oppression, must find through their struggle the way to life-affirming humanization, which does not lie *simply* in having more to eat (although it does involve having more to eat and cannot fail to include this aspect). The oppressed have been destroyed precisely because their situation has reduced them to things. In order to regain their humanity they must cease to be things and fight as men and women. This is a radical requirement. They cannot enter the struggle as objects in order *later* to become human beings.

The struggle begins with men's recognition that they have been destroyed. Propaganda, management, manipulation – all arms of domination – cannot be the instruments of their rehumanization. The only effective instrument is a humanizing pedagogy in which the revolutionary leadership establishes a permanent relationship of dialogue with the oppressed. In a humanizing pedagogy the method ceases to be an instrument by which the teachers (in this instance, the revolutionary leadership) can manipulate the students (in this instance, the oppressed), because it expresses the consciousness of the students themselves....

...A revolutionary leadership must accordingly practice co-intentional education. Teachers and students (leadership and people), co-intent on reality, are both Subjects, not only in the task of unveiling that reality, and thereby coming to know it critically, but in the task of re-creating that knowledge. As they attain this knowledge of reality through common reflection and action, they discover themselves its permanent re-creators. In this way, the presence of the oppressed in the struggle for their liberation will be what it should be: not pseudo-participation, but committed involvement.”

We might assume that the will-to-freedom – the innate desire for the subjective experience of liberty – is a given for all of humanity, and that may very well be true



when the four primary drives aren't being satisfied at all. But when countervailing illusions of freedom successfully anesthetize these drives with "playing the freedom lottery" inducements, when bread and circuses distract us from the liberties we lack, and when the demands and stresses of daily life overtake awareness or concern about medicated servitude, aspirations to be free can quickly wane even if the latent desire remains. Thus disruption of the spectacle is also required to awaken the populace to its actual condition, so that the deceptive and artificial satisfaction of a will-to-freedom can be laid bare. And this effort can also be conserved and institutionalized in *interobjective systems, conditions and artifacts* – in fact it already has been in recent times. This is the character and objectives of various forms of leaderless activism, hacktivism, populism and civil disobedience persisting at the grass roots level into self-organized movements, and fueled by fundamental dissatisfaction with the status quo. In other words, these movements are also *necessary interobjective elements* in achieving a Goldilocks Zone of integral liberty.

It might be helpful at this point to reframe the attenuation or eradication of *all variations of poverty* in more proactive language, where proponents seek to establish and uphold a memplex that includes:

- *Freedom from existential crisis.*
- *Freedom from the tyranny of private property.*
- *Freedom of safety and security through equal treatment under the rule of law and protection from violence and the fear of violence.*
- *Freedom from deceptive manipulation, exploitation and coercion.*



- *Freedom from ignorance and equal access to multidimensional training, skills, knowledge, deep learning & information.*
- *Freedom of health, wellness and well-being through equal access to healing, training and nourishing resources.*
- *Freedom of speech and self-expression through equal access to all arenas of communication and media.*
- *Freedom and equality of travel and relocation.*
- *Freedom and equality of peaceful assembly and association.*
- *Freedom from prejudice, disenfranchisement and social isolation.*
- *Freedom and equality of privacy and participation.*
- *Freedom and equality of spiritual, psychosocial and moral development.*
- *Freedom and equality of opportunity through mutual trust, collective participation, and sharing of common property and communal social capital.*
- *Freedom and equality of "spaciousness" in free time, quiet and solitude.*
- *Freedom and equality of opportunity and support for self-reliance.*



## ***The Role of Integral Lifework***

Integral Lifework is my own invention, and its theory and practice are detailed in the book *True Love* (2009). Essentially, it is a method of nourishing and nurturing thirteen dimensions of being, so that the whole person heals, thrives and evolves in integrated harmony. Central to this method is empowering the individual to take responsibility for their own well-being; it is a collaborative, “client-centered” modality in this regard, and deliberately rejects expert-student, doctor-patient, guru-aspirant, externally-dependent dynamics. But the specific nuts and bolts of Integral Lifework practice are not the relevant focus here. What is more crucial to this discussion are the principles of such multidimensional support and its outcomes. In particular, what integral practice of any kind tends to enhance are *supportive structures for moral development*, and in particular a more unitive, love-centric orientation. This becomes particularly critical in the context of transforming an acquisitive, individualistic, competitive, egocentric society enslaved to commercialistic materialism into a compassionate, mutually supportive, horizontally collectivist society that is free from the tyranny of private property. Without the internal and external reinforcement of moral maturity, it is simply easier to revert to a more primitive, lowest-common-denominator modus operandi.

So Integral Lifework – or something like it – will also need to permeate all *interobjective systems, conditions and artifacts* in order for authentic liberty to be fully supported. Whether via childhood education, health and wellness services, personal counseling, worker training, or all of the above, all dimensions of being must be better understood, and better nurtured, by everyone. In a sense, this challenge is similar to that of individuation: if our self-concept and interpersonal relationships are submerged in unquestioned, undifferentiated enmeshment with parents, peers or lovers, and all our decisions and desires are reflexive imitations of these enmeshed relationships and the cultural traditions and expectations that shaped them, we will never fully know ourselves, and never fully be ourselves. We will have unconsciously adopted the habits of emotion, ideation and behavior that



dominate those established dynamics, and pass them on to each generation – also without much thought. The process of individuation, on the other hand, allows us to free our self-concept from codependent impulses, consciously decide who and how we want to be in the world, and then re-engage that world with a healthy self-sufficiency in our emotions, ideas and identity. This is really the bottom rung on the ladder of individual sovereignty, but it is often neglected – or worse, confused with individualism or selfish willfulness. But the point is that analogs of this process need to occur in all dimensions of being – spiritual, physical, intellectual, creative, etc. – so that we become less dependent (less toddlerized and infantilized), and able to operate in higher altitudes of moral function.

To summarize the broadening sweep of these proposals, the immediate *interobjective systems, conditions and artifacts* that would initiate the foundations of liberty and support the subjective experience of individual freedom would include:

1. A “universal social backbone” that supports the foundations of liberty and inherently mitigates *all variations of poverty*.
2. Memplexes embodying freedom-centric values hierarchies and the attenuation or eradication of *all variations of poverty*.
3. Elite think tanks, affiliations, families and other organizations that promote both these memplexes and the formation of a *universal social backbone*, while lobbying other elites to pursue a similar agenda and proactively engaging with activism at all other levels of society.
4. Grass roots, leaderless activism that agitates and educates around these memplexes, advocates for a *universal social backbone*, and disrupts false representations of liberty.



5. Integral Lifework or equivalent multidimensional self-care education, training and resources for all ages – to encourage self-reliance, personal responsibility, and moral maturity.
  
6. *Participatory mechanisms with built-in accountability* to operationalize democratic will at all levels of government, economy and enterprise.

Over time, these would evolve into broader, pervasive, horizontally collectivist structures, with less and less differentiation between regions, classes, cultures and even localized customizations of political economy.

In order to maximize the Goldilocks Zone of liberty, there will of necessity be an inexorable homogenization of cultural interfaces around the globe, as a byproduct of intensifying interdependence. This is actually already occurring without conscious collectivism – because homogenization (of workers, consumers, culture, etc.) increases efficiencies under globalized capitalism. A central difference in the homogenization process being proposed, however, is that it would be more organic, rhizomatic and self-organizing, percolating up from diversely unique expressions of human community and operating at the boundaries – rather than being imposed from the top down onto every individual as it has been under oligarchic globalization. It would be a voluntary synthesis from a prosocial unitive orientation, rather than compulsory compliance out of fear of poverty, aggression and oppression, or the byproduct of mindlessly destructive greed.



## Participatory Mechanisms with Built-In Accountability

*Participatory mechanisms with built-in accountability* for supporting, enriching, moderating and promoting all other factors in the most egalitarian, diffused and distributed fashion. These could include distributed, daily direct democracy; Open Source initiatives and petitions; regular community meetings and online forums; participatory economics; worker-owned cooperatives; community management of banks and land; as well as civic lotteries for citizen commissions and all levels of polycentric governance networks.

One might think this to be the easiest of topics – for we all know what “democracy” is, right? Well perhaps not, for, as previously alluded to, democracy as a mechanism of public consent has been greatly obscured in its contemporary expressions – much like the obscuration or mediocritization of many other great ideas once they have entered a commercialist mainstream. If the underlying intent of democracy is to operationalize the will of the electorate in civil society – to express that will in the rule of law and the activities of civic institutions – then we seem to have fallen woefully short of that goal at every level of government throughout the modern and postmodern eras. It should be reiterated that, in the U.S. as elsewhere, power has been systematically wrenched away from the people via corporate influence and the agendas of wealthy shareholders.<sup>15</sup> I have written about this elsewhere,<sup>16</sup> as have many others (Klein, Chomsky, Palast, Hedges, Reich et al) in more detail, but there are plentiful examples. Where do the majority of funds for election campaigns come from? Who controls most commercialized mass media? Who actually authors much of the state and federal legislation? Who has the largest number of dedicated lobbyists advocating for their agendas? Who funds the legal challenges to regulatory laws, and strives to place its own former lobbyists and leaders in regulatory oversight positions? Who benefits the most from gargantuan military spending? Who consistently demonstrates the most aggressive and immediate



interest in molding all branches of government to its will? When answering these questions, following the money is remarkably straightforward, and inevitably leads us to the same players: corporations, their cronies and wealthy shareholders.

Now and again a new hope arises in the democratizing power of various technologies. We saw this in Egypt and elsewhere in the Middle East, when social media played such a significant role in the Arab Spring. And the Internet itself has for a time provided a relatively level playing field for freedom of information access and self-expression. But even the Internet is rapidly conforming to an oligarchic model. Who is tuning search engines and manipulating search results to serve commercial interests above all others? Who is attempting to nullify Net Neutrality and weaken FCC oversight of the Web? Who has turned web browsers into commercial data-gathering engines that commoditize Internet consumers themselves? Again we arrive at the same players as we did before: corporations, their cronies and their wealthy shareholders. It doesn't matter that a progressive, populist President says he will defend Net Neutrality if he appoints a former venture capitalist and cable industry lobbyist to head the FCC.<sup>17</sup> And it doesn't matter if Congressional lawmakers temporarily acquiesce to public pressure regarding Internet freedoms, if they simply wait until a later date to sneak rider language into budget legislation that sabotages Net Neutrality.<sup>18</sup> In the political rhetoric vs. reality equation, corporate agendas remain focused and relentless even as public interest, attention and opinion ebb and flow.

### ***Open Source Governance & Direct Democracy***

The Internet actually provides us with a useful model for the participatory nature both of freedom itself and the mechanisms required to sustain it. Consider these helpful equivalencies:



- The digital divide mirrors wealth, class, educational and other divides in that without certain equitable foundations for all, the opportunity to exercise freedom is abundant for some, and non-existent for others. If someone doesn't have a certain kind of technology available to them – or have use of it for the same amount of time, or via the same network access speeds, or with the same level of security from theft of personal data, etc. – *they will not have the same effective facility or utility regarding Internet resources.* They will not have *effective* Internet freedom.
- The Internet is by nature a highly distributed, participatory phenomenon. On the one hand, it has working parts everywhere around the globe which are bound by common operating assumptions, processes, protocols and technologies, mirroring the *interobjective systems, conditions and artifacts* required to sustain freedom; this is equivalent to a backbone of infrastructure and essential services discussed previously. On the other hand, the substance of the Internet is provided in a primarily Open Source fashion by everyone who accesses it, whether by sharing their videos, pictures and written commentary, or by authoring an informational website, or by participating in social media and discussion groups, or coding shareware for download, or otherwise generating freely accessible content.
- A more selective class of Internet user contributes the mechanisms for participation (blogs that allow commentary, survey engines and data, websites that specialize in Q&A, social media platforms, etc.), and, up until recently, the only barrier to engineering such mechanisms has been technical know-how, relatively inexpensive hardware, and access to Open Source platforms and tools. As the Web has evolved, however, this class has become more rarified, with its requirements for participation increasingly demanding in terms of technical sophistication, resources and startup capital. This, too, mirrors the increasing sophistication and complexity of



mechanisms for collective participation in democracy itself. For where once a rural farmer could attend a town meeting to discuss relatively straightforward community concerns (with a handful of peers who likely shared similar experiences), now the participants are exponentially more numerous and diverse, the issues at hand more nuanced, the data influencing a decision more multifaceted, and the technologies required to coordinate, compile and communicate collective decision-making are orders of magnitude more complex. Still, although they are gradually trending towards increased corporate control, the Internet's participatory mechanisms have retained a high degree of distribution, diffusion and egalitarianism.

- A substantial driver for Web-centric interaction has been knowledge diffusion itself. Whether seeking automotive repair advice, consumer opinions about local businesses, expert insights about home improvement products, research on philosophy, or professional education and training, the Internet is brimming with immediately accessible information-rich services and resources.

The ideal expectation of freedom for both the Internet and democracy, it can be argued, is for a universal equivalency in all levels of access, ability to contribute, high quality information, ongoing dialogue, and involvement in the execution and oversight of facilitative mechanisms. At the same time, the parallel also indicates the necessity of certain specialized skillsets to engage in the technical aspects of increasing complexity; technocrats, if you will. In the Open Source community, those who consistently provided the highest quality contributions to various projects over time have become de facto authorities and gatekeepers for those efforts. This has been the quasi-market element of the Open Source revolution. In the same way, as human civilization continues to evolve, there will be always be a need for specialists to both engineer, maintain and safeguard the social backbone of



infrastructure and essential services, and to engineer, maintain and safeguard the mechanisms of democracy itself.

In a State capitalist, market-centric political economy, these roles are routinely perverted by the tectonic pressures to increase profits. In authoritarian, Statist socialism, these roles are relegated to institutional bureaucracy and single-party rule. But in a direct democracy with socialized infrastructure and essential services, where the responsibility for decision-making is pushed down to the community level, there can be a healthy tension between technocrats who are elected to administer participatory mechanisms, and the constituents who vote frequently – again perhaps even in a daily fashion – to shepherd outcomes. Informed by the Open Source model, if those technocrats are additionally held accountable for the quality of their efforts – the justification of merit – through term limits and recall mechanisms, then institutional bureaucracy will itself be moderated through universal, collective participation.

And just as we can restore the Internet itself – and all of its products, services, and information repositories – to the ongoing evolution of Eric Raymond’s “bazaar” model of Open Source development,<sup>19</sup> we can establish equally open, Internet-based democratic processes and dialectic forums that mirror the same principles to generate legislation, manage complex processes, debate the merits of various policies and practices, and make collective decisions about the infrastructure and essential services at all levels. Will this require even more open and sophisticated knowledge sharing and development than currently exists? Absolutely – expertise will no longer be a proprietary domain, and although certain individuals or communities may rise to prominence in specialized areas of discourse and decision-making, this will be the emergent result of proven merit, experience and insight rather than demagoguery, social capital or affluence. Will we need to develop new, secure systems of electronic voting, data collection, moderated public debate, legislation development and enactment? Yes, but we already have the technology to do this. Will there need to be larger, more diverse datasets with more accurate



mining and validation tools, transparently accessible to all of the public? Sure...informed decisions can't be made without accurate, unbiased information that captures many different perspectives. And there will also need to be qualified technocrats – perhaps elected, or selected by civic lottery – to oversee a secure and equitable execution of such an Open Source democracy. But all of this is doable, and in fact there are already Open Source governance experiments along these lines around the globe.<sup>20</sup>

For comparison, what are some existing mechanisms where direct democracy is actually in play? Where does the will of the people express itself in reliable ways, as moderated and channeled by technocratic processes? Sadly, this is extraordinarily limited. Here are some examples that seem to be enduring, though many still remain flawed:

1. **Juries selected by civic lottery.** Jury members are meant to be randomly selected, remain insulated from the influence of parties interested in the case they are jurying, and provide a consensus opinion about a defendant's guilt or innocence. The court system itself represents the technocratic regulation and facilitation of this process.
2. **Citizen's initiatives.** A ballot measure voted on by the electorate. Here the waters can often become muddied with misinformation campaigns on both sides of a given issue, and by any vagueness of language that could be manipulated in court challenges if the initiative becomes law, so this is an imperfect democratic process at best. However, a democratically elected legislative infrastructure offers technocratic stability for this process.
3. **Referenda.** Similar to the initiative process, but specifically addressing the repeal of existing legislation or recalling an elected official.



4. **Direct polling.** With a large enough sample and a carefully randomized demographic, this can provide meaningful data about the interests and opinions of the electorate, which in turn can influence policy. Here non-profit research institutions or NGOs provide the (technocrat-managed) sampling, compiling and reporting of data.
  
5. **Direct democracy.** This has had limited application in actual governance, but has had longstanding success in Switzerland where legislative vetos and referenda at the community, canton and federal levels are all enabled by direct democracy. Where 100,000 signatures on a petition will get a formal response from the White House in the U.S., the same number in Switzerland can demand changes in the Swiss constitution through a mandated legislative process and final direct referendum. So there, it is the constitution itself which defines the responsibilities of administrative technocrats elected to the task.

Again, though, in modern State capitalist democracies like the U.S., it is predominantly the will of the wealthy that is captured in the democratic process. Who has the time and resources to be a delegate or alternate to primary conventions? Who has the time, resources and education to promote their agenda at community meetings or in public comment periods? Who can afford to back an initiative or referendum, collecting enough signatures to get them on a ballot? What kind of person generally self-selects to become an elected official, and how do they fund their campaigns? The presumption which has hyperbolically alienated direct democracy from serious consideration is a fear of “the tyranny of the majority” (Adams, Mills, Rand), a concern that individual and minority interests would not be represented or protected by majority rule. This has been an almost exclusively theoretical objection, however, since in all instances where direct democracy has been utilized, no such oppressive tyranny has materialized – or, perhaps more accurately, it has rapidly self-corrected. A potent example of this was the statistical inversion of opposition to gay marriage in California from 2008 to 2012, a



phenomenon echoed in many states around the U.S.; where in 2008 52% of Prop 8 voters were opposed to gay marriage, by 2012 53% of voters polled were in favor of marriage equality,<sup>21</sup> and this trend of tolerance seems to be continuing.

This is why we need a different approach to direct democracy. Here is what I proposed in *Political Economy and the Unitive Principle*:

As for institutional reforms, why not implement direct democracy at the community level? Using existing technologies, direct democracy could be regularly realized on a vast scale. Imagine a societal expectation that, every day, citizens would vote on any number of decisions with real-world consequences in their community, and do so from the comfort and convenience of their homes; we might call this "daily direct democracy." This could shape the prioritization of infrastructure funding, or zoning for certain business activities, or the number of regular police patrols in local neighborhoods, and so on. Whatever strategic or tactical concerns could easily incorporate direct democratic decision-making would be reviewed each day, and revised and adjusted as citizens observed the impact of their decisions over time. Regarding decisions where specialized knowledge is needed, votes could be organized, solicited and even weighted based on a combination of self-reported interests, expertise and experience. Imagine further that such expectations are tied to certain social privileges - that participation in governance and planning affords benefits that would otherwise be limited or unavailable.

For community issues that require more advanced, rare or specialized knowledge - and perhaps coordination across multiple tiers of government or longer decision-making cycles - community members selected through automated lotteries could participate regularly as part of citizen commissions and community development teams, each with a clearly defined scope of responsibility, interagency liaising, preparatory training, and expectation of wider public input and reporting. Such teams and commissions could work in conjunction with elected officials and established government agencies for a limited period of time, then relinquish their position to the next group of lottery appointees. As alluded to earlier, some percentage of government agency positions would be selected via lottery as well. All of this is intended to mitigate the dangers of entrenched government bureaucracies, special interest influence, and career politicians who serve their own interests above those of their constituents. Here, however, citizen participation is mandatory and regular, demanding a



high baseline level of education and ongoing awareness about community concerns and governance.

But really, shouldn't the participatory process and its mechanisms be decided by the electorate itself? And shouldn't these remain malleable to consensus adjustments in response to new technologies or conditions? It seems obvious that this be the case. And, as I continue in *Political Economy and the Unitive Principle*:

All of these ideas highlight an important consideration: in order to participate effectively in their own governance, community members will require extensive knowledge in the principles of community resource management, economic development and consensus building, as well as a more rigorous continuation of that education moving forward. To this end, the lessons of past successes should inform the proposed dynamics between government agencies, citizen commissions, grass-roots organizations and direct democracy. These would include empowered community organizing, awareness and development efforts, worker/consumer-owned cooperatives that have worked well, and effective partnerships between CDCs, CLTs\* and the communities in which they reside. Replicating the checks and balances of the overall political economy, communities would need to integrate the technocratic proficiencies of elected positions, the efficiencies of central planning and coordination, a will of the people that is both informed and compassionate, and many of the risks and benefits of free markets.

Under the same umbrella, the labor and resources that actualize community decision-making would, to whatever degree possible, be sourced from the community itself. How can self-sufficiency in decision-making be fostered if the cost of those decisions isn't borne by the community? As already mentioned, I like the idea of incentivized public funding and participation, where those who contribute the most in terms time, resources or ideas are rewarded with a certain level of benefit from outcomes, such as a certain quality of service, or guaranteed utilization. The valuation of contributions should of course be multidimensional, so than everyone who desires to do so can contribute in some way. But those who refuse to contribute - who consistently demonstrate that they do not value civic participation - should be afforded either fewer benefits, or benefits of lower quality.

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\* Community Development Corporations and Community Land Trusts



One of the challenges in operationalizing such a vision for liberty and democratic self-governance will continue to be disabusing notions of individual freedom and representative democracy that were envisioned in the simplistic, agrarian, pastoral, homogenous contexts of the past. Resources are not infinite. Private ownership is not rational, and neither its tyranny nor centralized State control is required to avert the tragedy of the commons. Individual sovereignty is not a natural condition but a socially granted one. An evolving majority consensus is not tyrannical – it just takes time to find its own level. Human utility is not the sole determiner of intrinsic value. Wealthy white men are not the only people competent to lead or generate good ideas. Individualism erodes liberty, while horizontal collectivism protects it. Free market capitalism is just as oppressive as feudalism. Socialized infrastructure and essential services need not be feared, and are already part of all of the world's largest mixed economies. Locke and Hobbes made errors in their assessments based on limited data. And so on. These are the counter-tropes we must continue to elevate in collective awareness, supporting them with the wealth of evidence available, gently correcting ignorance over and over again until plain truths penetrate mainstream assumptions about the nature of liberty.

It bears repeating that the success of any form of democracy – and perhaps direct democracy in particular – is profoundly dependent on equal access to education, unbiased information resources, the unrestricted opportunity to vote, and the many other elements of both the “universal social backbone” and the freedoms outlined in the last section. To make informed, skillful decisions about any issue, those who are voting should not need to be persuaded by anyone, but only given access to balanced informational resources, a clearly communicated conception of the issues in play and the remedies being proposed, an explicit expectation that they participate in the democratic process (and a thorough understanding of consequences if they choose not to), and plenty of time to come to an informed decision. In other words, direct democracy demands direct attention and involvement; a pronounced interest and engagement in the democratic process, *because it is so clear where the responsibility for collective self-governance lies:* with



the people themselves. As Stan Lee (rephrasing Voltaire or Hansard) reminded us: “With great power comes great responsibility.” My own rejoinder would be: “When the people know they alone are responsible, they will become responsible.” No one can learn how to wield power until they are fully entrusted with it.

It is important to note that, although technology can provide many streamlined, immediate ways to engage in the political process, the immense value of in-person meetings should not be overlooked. This is where values are affirmed, trust is cemented, and nuanced layers of communication occur; for the dangers of *abstraction* I alluded to regarding representative democracy are also a hazard of virtual interactions. The kinds of face-to-face meetings people choose at the community level – or how they decide to configure in-person conventions or congresses at higher levels of governance – will of necessity have wide variability between communities, cultures and unique styles of political economy. But regular in-the-flesh assemblies have nevertheless always been a critical component of cohesive sociality.

But whether the community meets virtually or in person, engagement is a significant point in terms of political obligation: the expectation of voluntary participation in daily direct democracy creates a clear avenue of acceptance for all intersubjective agreements, a demonstration of reciprocity between collective stability and individual sovereignty, and provides an intimate and fluid feedback mechanism for all political processes. Additionally, it is unnecessary and indeed counterproductive to constrain participatory mechanisms exclusively to public governance, for free enterprise can benefit from democratic reforms as well. And thus we arrive at a second major category of participatory mechanisms: worker-owned cooperatives.



## ***Worker-Owned Cooperatives***

Simply stated, this is a successfully demonstrated approach to solving many of the problems in shareholder-centric capitalist enterprise, including the tyranny of private property, the tensions inherent to establishing owner-management and workers as separate classes, and ensuring the safety, well-being and job security of workers, and adequate diffusion of knowledge and training – all of this while still providing opportunities for competition in both non-profit and for-profit environments. Production on nearly every scale can be delivered by networks of worker-owned cooperatives who routinely vote on working conditions, compensation, strategic and tactical directions of the business, internal management structure, customer relationships, integration with local communities and so on. This is basically a “direct democracy for organizations” structure that can be (and has been) implemented in nearly every business sector, from banking to manufacturing to shipping to farming to garbage collection to healthcare. To fully appreciate the nuts and bolts of implementation, the breadth of some real-world experiments, advantages over bureaucratic organizations, and the rationale behind worker-owned cooperatives, I recommend consulting *The Cooperative Workplace* (1989) by Joyce Rothschild and J. Allen Whitt. Here are excerpts from that work that touch on some of the central themes we inevitably revisit when individual and collective wills intersect – in business or anywhere else:

“An organization, of course, cannot be made up of a collection of autonomous wills, each pursuing its own personal ends. Some decisions must be binding on the group. Decisions become authoritative and binding in collectivist organizations to the extent they arise from a process in which all members have the right to full and equal participation.” (p. 51)

“Collectivist organizations generally refuse to legitimate the use of centralized authority or standardized rules to achieve social control. Instead, they rely upon personalistic and moralistic appeals to provide the primary means of control. In addition, the search for a common purpose, a continuing part of the consensus process, is a basis for collective coordination and control.” (p. 54)



“Impersonality is a key feature of the bureaucratic model. Personal emotions are to be prevented from distorting rational judgments. Relationships between people are to be role based, segmental, and instrumental. Collectivist organizations, on the other hand, strive toward the ideal of community. Relationships are to be wholistic, affective, and of value in themselves.” (p. 55)

“In sum, where the process of criticism is collectively sanctioned, it may serve a constructive function for the organization. By making the leaders or core members publicly and legitimately subject to members’ criticisms, such forums tend to reduce the inequalities of influence and to check personal abuses of power.” (p. 87)

“Demystification was defined earlier as the process whereby formerly exclusive, obscure, or esoteric bodies of knowledge are simplified, explicated, and made available to the membership at large. In its essence, demystification is the opposite of specialization and professionalization. Where experts and professionals seek licenses to hoard or at least get paid for their knowledge, collectivists would give it away. Central to their purpose is the breakdown of the division of labor and the pretense of expertise.” (p. 114)

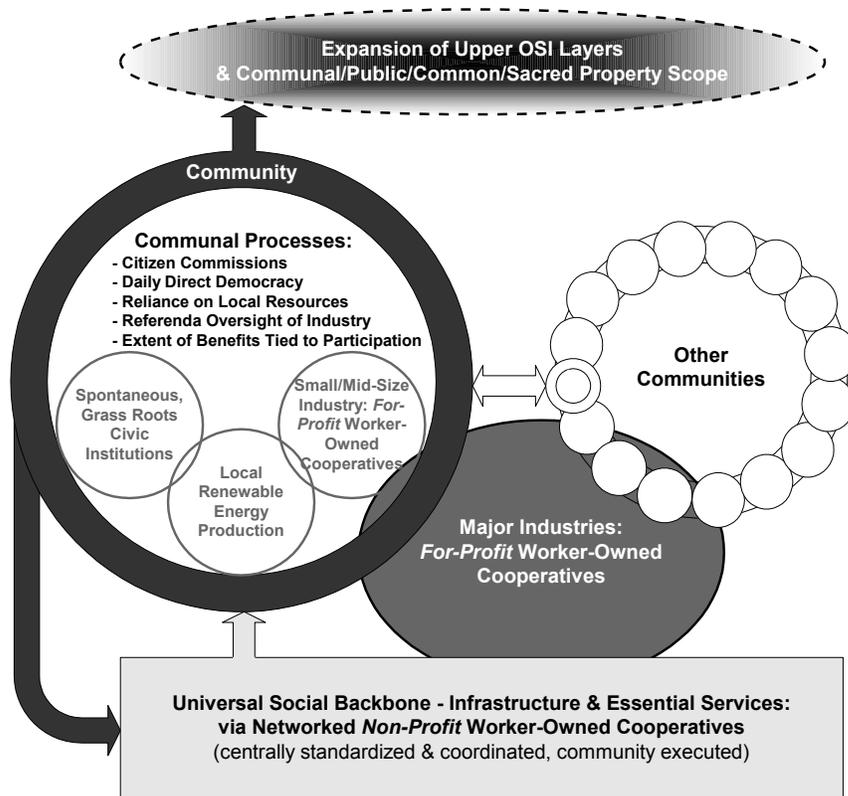
“Worker solidarity, like commitment, is of significance beyond the gains in worker satisfaction and morale that it may bring. One research team has found in its study of cooperatives in developing countries that high solidarity goes with various measures of economic success, just as low solidarity goes with economic failure (Abell and Mahoney, 1981, p.14). This team posits that cooperatives rely on their solidarity and commitment advantages to achieve their economic performance; if these are lacking, the result is more diseconomies than in a conventional enterprise. As is apparent from the organizational features outlined in Chapter 3, a collective orientation depends on mutual trust. Internal conflict is especially disruptive precisely because of the consensual basis and personal relations that characterize these groups. Thus, compared with conventional firms, higher levels of worker commitment and solidarity are often observed in cooperative enterprises – but by the same token, they are also more necessary.” (p. 165)

“In light of the available evidence, we are led to provisionally conclude that worker ownership and democratic management often can be turned into a labor productivity and profitability advantage. But this economic advantage is precarious in cases where mechanisms are not established to give workers more voice in company affairs.” (p. 167)



Over the following decades, additional research has confirmed many of Rothschild and Whitt's observations as being highly predictive of enduring worker-owned cooperatives around the world.<sup>22</sup> That research indicates that employee-owned cooperatives often outperform non-employee-owned competitors, tend to demonstrate more resilience over time, and provide greater worker satisfaction and sense of purpose – as long as there is ongoing democratic engagement, sufficient internal education and training, and a culture of self-awareness and constructive mutual evaluation. Competition with other enterprises can of course be stimulative as well. In many ways, the successful characteristics of these cooperatives parallel the design principles of Elinor Ostrom's common pool resource management – and indeed what seems to work in most collectivist approaches.

In *Political Economy and the Unitive Principle*, I advocate for two layers of worker-owned cooperatives. On the one hand, there would be a non-profit layer of producers and service providers that compete with each other to provide all the features of the “universal social backbone.” This idea was inspired in part by non-profit health insurers in Switzerland who compete with each other for healthcare customers. On the other hand, there would be a for-profit layer of worker-owned cooperatives participating in a more traditional exchange economy for goods and services above and beyond the universal social backbone. Over time, as fiat currency, banking systems and perhaps even the exchange economy itself are replaced with more egalitarian, horizontally collectivist, distributed and participatory mechanisms, then “for-profit” and “non-profit” designations will likely evaporate. Economies could be negotiated and coordinated entirely through Open Source manifestations of direct democracy, with the means of production shifting back to communities and people's homes through advanced automation. Even the concepts of “worker-ownership” and ownership shares in communal resources or enterprises could dissipate, migrating through phases of social credit accounting into an as-yet-unconceived gift economy. As a helpful exercise, we can imagine various configurations and innovations to enable this transition, but the reality will need to respond to evolving conditions in rhizomatic ways.



Initially, however, the two proposed layers of enterprise could encompass a majority of business entities – though clearly flexibility should be given to very small businesses, and perhaps even to a limited number of industry-disruptive innovators and outliers who feel (correctly or incorrectly) that collective decision-making will inhibit their unique creativity, work styles and tastes. Remembering Ostrom’s observations, we should expect adjustment to unique variables and local conditions for any proposals. At the same time, we can be fairly confident that other approaches to reforming shareholder-centric enterprises, such as benefit corporations or B Lab certified corporations, will ultimately fall short of adequately moderating the corrosive ethos of hierarchical property ownership – the problems are too endemic. As I write in *Political Economy and the Unitive Principle*:



“There have been proposals to remold U.S.-style capitalism into a more just and compassionate system. Efforts like "conscious capitalism" and its offspring, B Corporations, are the latest incarnation of an enduring American optimism that corporate culture can be changed for the better. In a similar vein, "natural capitalism" attempts to introduce true-cost accounting for natural resources, thereby recognizing externalities usually ignored by free markets, with the hope of lessening both waste and negative impacts on those resources. And of course there are an endless series of management training and organizational development consultants who will help re-brand a company into a worker-friendly, environmentally conscious, civically constructive enterprise. None of these efforts, however, have changed the market-centric assignments of property *ownership* in the U.S. system.”

Intellectual property would follow a similar path to collective ownership as we inevitably move towards an Open Source orientation, achieving maximum knowledge diffusion, contribution and collaboration. Remember that, for those whose level of moral maturity requires personal benefit to incentivize innovation, socially productive efforts are still rewarded via the *social credit system*. But there would be no longer be the massive concentrations of wealth resulting from exclusive ownership by individuals or organizations, so that patents, trademarks and copyrights would tend to be collectively held and have relatively brief legal durations – perhaps ten years at most.

In addition to free enterprise, we can now consider another participatory ingredient alluded to in the graphic above: spontaneous, grass roots civic organizations.

### ***Spontaneous, Grass Roots Civic Organizations***

A convenient way to categorize this phenomenon is “community organizing,” and plentiful resources are available on the topic. All we are really concerned with here is the civic function such organizing serves in the context of authentic liberty, and some useful participatory models for these grass roots institutions. As Michael



Brown describes them in his superbly practical guide, *Building Powerful Community Organizations* (2006, p.1-2):

“Community is one of those things that is hard to define, but you know it when you are in it. It is a feeling that you are not alone, that you are part of something greater than yourself – but yet, even when you are in it, you are still yourself. It does not swallow you up; rather, it builds you up. It is not all for you and you are not all for it. In a community there are people around you whom you like, although you probably do not like them all equally. The people of the community are there for you when you need them and you will be there for them when they need you.

Community organizations come in all shapes, sizes, and varieties. Every community organization holds all the complexities and all the hopes, dreams, and visions of the people who join it. Community organizations may look different but they all have at least two things in common:

1. Community organizations strive to develop a sense of community among their members.
2. Community organizations organize people to do what they cannot do by themselves....

The exact alchemy that transforms a group of individuals into a community organization is elusive, but it is clear that the process requires intuition, a good sense of timing, a gift for strategy and for relationships, and healthy doses of boldness, leadership, persistence, perseverance, passion, commitment, and courage. One person usually does not have all those qualities; that is why it takes a group. Add to this list: *mistakes*. You will make mistakes along the way, and that is to be expected. You can learn from them.”

At first Brown’s definitions may seem simplistic and even vague, but he is hinting at the very nature of human society – a complex organism of dynamic interdependence that relies on multiple centers of intelligence and multiple avenues of cooperation. He is also speaking to the spirit of experimentation and inherent variability that community organizations represent, as well as *the necessity to learn from doing*. Thankfully he offers plentiful examples of how all of this has played out over his thirty-year involvement, and relentlessly promotes what he calls the Iron Rule of



Organizing: “never do for people what they can do for themselves;” here even leadership itself is about developing other leaders, rather than taking control. Again we can feel the resonance with other collective proposals, with the democratization of all processes, with Elinor Ostrom’s design principles, with the inclusive and egalitarian attitudes and practices, and so on. These ideas – that is, what works in the real world – are all cut from the same cloth. And, in harmony with the unitive principle, regarding recruiting Brown advises (p. 133):

“You want people who care about the issue, but not *only* about the issue. You are looking not simply for people who have a personal self-interest in the issues you are working on, but people whose self-interest is deeply motivated, not narrowly defined. What are their stories? What is their motivation? Beware of people who say that they are *not* at all personally motivated, who are doing it only to help others. They are not likely to last long in your organization. Also beware of people who seem to care *only* for themselves (to get *their* raise, to lower *their* water bill, to get rid of the abandoned cars on *their* street). You *definitely want* people who care deeply about the issue your group is working on. But you also want those who think about others as well as themselves.”

This cross-pollination is so evident that we can clearly integrate the insights Brown, Ostrom and Rothschild, Whitt and the many others who have written about horizontal collectivism to inform all of our participatory mechanisms, while never forgetting the ultimate aim of championing the *subjective felt experience of liberty* for all.

### ***Polycentric Governance Networks & The Urban Landscape***

The final piece in participatory mechanisms will be polycentric governance. Just as we cannot operate as isolated, autonomous wills within our community, each community, organization, business and local government cannot operate as an autonomous entity without reference to everything and everyone else around it. The level of intimacy and fluidity of communication between these entities will



determine their democratic efficacy and realization of authentic freedom. From *Political Economy and the Unitive Principle*:

“In many ways, the specific details of community-centric visions and processes matter less than the importance of engagement and dialogue both within a community, between communities, and between each community and the regional, national and global apparatuses of economy and government. The encouragement that such interactions become more intimate rather than less is paramount. One of the most destructive disconnects of the modern age is the perpetuation of the isolated individual or family that has no relationship with their community, its government and its resources, other than through paying a fee for a service, a tax for infrastructure that is taken for granted, or a vote to empower a stranger they have never met who will make decisions for them. This distancing of cause-and-effect into non-relating, discompassionate, reflexive and often apathetic exchanges is a principle destroyer of social cohesion. To reverse this trend, we need to reconnect with each other.”

We must expand polycentric governance to include all stakeholders in the democratic process, at all altitudes of governance and interdependency. Community organizations, direct democracy, citizens commissions, civic government, NGOs, all scales of worker-owned enterprise – all of these and more will need to have a place at the table when generating consensus around policies and decisions that affect their interests. But the core values of polycentric governance are the same as the other collective efforts, emphasizing self-governance and self-organization at the most localized level possible for a given concern (i.e. the principle of *subsidiarity*), once again trusting communities – or networks of communities, as the case may be – to work out solutions for themselves and between each other, *rather than officials doing everything for them*. Thus, just as we emphasize horizontal collectivism at the community level, the ongoing discussions and agreements for larger and larger circles of inclusion are engaged primarily through horizontal participatory mechanisms, rather than through vertical arrangements; solutions and responsibilities percolate up from collective involvement, rather than down from representative authority.



And now we can return briefly to Aristotle's concept of the city state – or, perhaps more accurately – the largest circumference of organic self-organization that seems to naturally occur in the modern world. Having lived in or near several large cities in the U.S. and abroad, and having travelled to many more, what seems clear is that as cities grow, they maintain distinct interior boundaries – at least in Western cultures. What inevitably occurs is a division according to six distinct themes: commercial districts, historic or invented micro-cultures, wealth (i.e. desirable real estate), homogenous populations tied to certain services or industries, tourist destination areas, and high-turnover rental areas. These themes influence each other, are often fluid and of course overlap, but what is particularly interesting is that humans still gravitate towards distinctly bounded communities – indeed we seem to long for it. Even in densely populated regions, there will be a unique flavor to different city districts, condominium developments, neighborhoods, commercial strips, apartment buildings and so forth that correspond to these themes. Even in sprawling suburbs, there will be areas that are more desirable than others because of the particular breed of community there. This is often intangible, and may in some cases be connected to the quality of services available nearby, the landscape, access to preferred resources (distance from employers, shopping areas, recreation, restaurants, etc.), but it is nevertheless clear to anyone who has lived in different areas of the same city that there are completely different flavors of community available in different neighborhoods, and that those neighborhoods are both geographically contained, and numerically capped in terms of population.

What moderates this organic process of cultural organization are six powerful influences: communications technology, transportation technology, population growth and density, employment locations, energy and goods production, and natural resources. Communications technology allows us to order things online or over the phone for home delivery and connect with friends and work remotely. Transportation technology allows us travel quickly over long distances to reach an employer, activity or service. Increases in population and density amplify competition for all resources and the pressures on vertical production and



distribution. Employment locations are generally not located in the most desirable residential areas, and can often involve long-distance communication and travel. Energy and goods production tend to be highly centralized away from urban centers – up to hundreds of miles away in the case of electricity and produce, and thousands of miles away in the case of fossil fuels and consumer goods. And, similarly, natural resources (arable land, potable water) can be hundreds or thousands of miles away as well.

Echoing Schumacher’s observations in *Small Is Beautiful*, this “6x6” formula of themes and influences has produced an ever-exaggerating tension between increasingly hierarchical global economic activity and the natural size and geographic centrality of human community. And as cities expand and merge with neighboring communities, while dependencies on - and volumes of – remote food, energy and goods production continue to grow, this tension will only be compounded, creating a deepening chasm between what industrial, technological and economic drivers promote, and the social structures and relations we most crave in order to feel free and thrive.

There are many ways to remedy this tension, and some of them have already been attempted. One is to use the globalizing technology itself to create virtual communities of shared values and interest, and Internet-based social media has made enormous strides in this regard. Perhaps, in the not too distant future, virtual reality interfaces will enhance this experience as well. However, considering the wealth and importance of nonverbal, non-symbolic communication that humans have developed to navigate social dynamics, it is unlikely that this avenue of remedy will be entirely successful; a virtual hug (or LOL, emoticon, etc.) will never be quite as enriching or communicative as the real thing, no matter how sophisticated VR sensory technology becomes. Another possibility is to utilize strong Artificial Intelligence to manage complex systems, in anticipation of a singularity that either biologically amplifies human capacities or subjugates humanity to a much deeper technology dependence; but this is likely quite far off, and/or not nearly the panacea



it purports to be. Another avenue of remedy, also technology-dependent, is to relocate as many of the globalizing influences back to the community level.

Imagine that electricity is sourced from community solar installations and other local renewables; a majority of community market produce is grown in local community gardens; advanced 3D printers located in community centers, along with local artisans and flexible manufacturing networks, provide a majority of goods the community needs; small businesses likewise integrated into the community provide a majority of desired services; and employment is executed either from home, or via business facilitates integrated into the community. Many of these approaches are already well-developed, experimentally implemented, or well on their way to becoming a reality. So it is easily conceivable that the 6x6 tension could be rapidly reversed – in a matter of only a few years – *if* our longstanding obsession with private property are relaxed at the same time that these emerging solutions become commonplace.

If this were to occur, then pushing as much political decision-making down to the community level as possible would have the greatest impact in terms of self-governance as well. And, to reiterate, for decisions of municipal, regional, national or global scope, the concepts of nested polycentric interaction could be applied. The idea of nested linkages, derived from Ostrom’s work (principle 8 in the table referenced in “Possession Without Ownership” above), could apply to vertical and horizontal relationships – both between communities, and between communities and institutions with larger scope.<sup>23</sup> But the emphasis would remain on community and inter-community consensus, rather than technocratic expertise, with direct democracy playing a dominant role.

Will all of this require the same kind of knowledge-diffusion that allows worker-owned cooperatives to flourish? Absolutely; we see the cross-pollination of collectivist examples at work here as well. The co-management concept between all of these governance mechanisms is really no different in its collective spirit than



consensus at the community level itself, rearranging its connections for each issue being addressed to generate solutions both tactically and strategically. So this is how we arrive at the term “polycentric governance networks,” because the configuration of each polycentric decision tree would be completely different, depending on who the stakeholders are for a given concern or objective.



## Objective Metrics

*Objective metrics* employed at frequent and regular intervals for all of these factors to assess their ongoing efficacy in generating the greatest authentic liberty, for the greatest number, for the greatest duration.

Regarding *objective metrics*, what is our aim? How can we measure the actual “freedom” alluded to in any of the factors we’ve already enumerated? How can we calculate and adjust our metrics to formulate proposals and managing mechanisms for ourselves individually, for our communities, for our civic institutions, for business organizations and so on? If our proposal is to define a Goldilocks Zone of integral liberty, then we will require specific ways to measure an optimal range of function for all conceivable areas. What follow are ostensibly a first draft of those metrics, with the ready acknowledgment that there is much room for tailoring and refinement.

Using the criteria we’ve developed so far, one arrangement could be as follows: We would assess the relief of the poverties that interfere with liberty as our primary indicators, using the operationalization of four primary drives across all four key factors (*subjective experience, intersubjective agreements, interobjective conditions, and participatory mechanisms*). In keeping with the Goldilocks analogy, our measurements will need to indicate three zones of differentiation: either *deficient*, meaning that the poverty is not being relieved in the course of *existing, expressing, effecting* and *adapting*; *within the optimal range*, meaning that integral liberty is being achieved as the poverty is relieved; or *excessive*, meaning that mechanisms to overcome that poverty have become paternalistic or are significantly interfering with other liberties. Clearly these would need to be developed to whatever gradation or granularity is required, but as our starting point we could simply use a range of *-4 to +4*; that is, each of the primary drives contributing *-1, 0 or +1* to each key factor, with *0* representing the optimal range. In this way the ongoing tension



between individual sovereignty and collective agreement is marginally represented, so that not only the predilections and wants of Goldilocks are in play, but also those of the family of bears. As I mentioned previously, there is inevitably fuzziness around such semantic containers, and copious interpenetration and interdependency between them – for example, what might be considered “internal” vs. “external” or “individual” vs. “collective” – but we can still define our initial metrics generally, with an eye towards future refinement.

**Table 1: Representing Integral Liberty**

<b>Freedom, Equality &amp; Opportunity ----- or Poverty?</b>	<b>Subjective Experience</b>	<b>Intersubjective Agreements</b>	<b>Interobjective Systems &amp; Conditions</b>	<b>Participatory Mechanisms</b>
Common Property & Access				
Justice - Laws				
Justice - Courts				
Justice - Enforcement				
Economic Freedom - Opportunity to Trade				
Economic Freedom - Employment				
Economic Freedom - Disposable Income				
Economic Freedom - Goods Access				
Education - Critical Thinking				
Education - Skills Training				
Education - Diverse Understanding				
Knowledge & Information - Open Media				
Knowledge & Information - Independent Verification				
Assembly & Association				
Health & Wellness				
Trust & Social Capital				
Self-Expression				
Multidimensional Perception				
Travel & Relocation				
Freedom from Prejudice				
Privacy				
Time-Space-Solitude				
Emotional Intelligence				
Moral Development				
Spirituality				
Compassion				
Perspective-Vision				
Self-Reliance				



The assertion here is that, in order for authentic free will to exist for all, individuals, communities, free enterprise and all level of governance must be operating within an optimal range for a majority of these metrics, and doing so consistently. Which means that, given the natural cycles of human behavior, we need to be measuring these variables pretty frequently to track and correct individual, collective and institutional trends. Perhaps using the mechanisms of daily direct democracy itself, and reporting results on a weekly or monthly basis, we can begin to tune our individual and collective awareness and efforts into continuous improvement. We can, in essence, continually assess and enhance our own freedom. For if we do not have such data available, how can we judge whether our liberty is real or illusive? And, of equal importance, how will we successfully challenge some new spectacle that persuades us we are free even as it seeks to enslave us?

### ***The Pilot Principle***

In keeping with the *precautionary principle*, I wanted to briefly summarize the importance of incremental, limited-scope testing of new ideas, while using the aforementioned metrics to validate progressive efficacy. This is so critical for any change management – and so easily forgotten in ideological tug-of-wars. There is no reason any reasonable new idea cannot be part of ongoing experimentation, especially if the experiment can begin at the community level and grow from there based on its success. In a way, incorporation of competing outlier ideas into separate pilots should probably become the standard for all collective public policy considerations; why not make small, incremental mistakes and learn from them, or, contrastingly, small models that demonstrate proof of concept for broader implementations? In the same vein, examples of successful models from around the globe – be it gun laws in Australia, or direct democracy in Switzerland, or the principles of common pool resource management Elinor Ostrom observed in Guatemala, Turkey, Kenya and Nepal – should inform any new proposals as well. In these instances, much of the piloting work has already been accomplished, so why



reinvent the wheel? As someone who – in an earlier career – designed and managed technology changes across large organizations, it has always struck me as profoundly misguided to institute change without relying on the pilot principle.

### ***Assessing Conventional Proposals & Ideologies with the Principles of Integral Liberty***

Initially, I had conceived of creating charts that plotted existing systems and ideals according to the variables, principles and metrics discussed in this paper. Then I realized just how sizeable an undertaking it would be even to assess “authentic liberty” vs. “illusions of freedom” along one axis and find objective data to support that analysis. This simply exceeds my available time and resources at the moment. Nevertheless, I believe this is possible using scientific methods. What I suspect to be true is that systems and ideologies that support horizontal cooperation, collaboration and knowledge diffusion will be the winners. It seems obvious that the more people there are, the more cultural diversity intersects, and the less space and resources are available for all, the greater the tendency toward hierarchical arrangements and hyperspecialization. I think that is how we arrived where we are today, and why we need to engineer a change.

The traditional, simplistic conceptions of private property, negative liberty and labor appropriation work well in regions with lots of space, lots of natural resources, and people who share (on the whole) the same ethnicity, knowledge-base and cultural makeup. In these instances, “equality” becomes a de facto assumption, conditioned on homogeneity. It is perhaps too obvious to state that the musings of Locke, Hobbes, Smith and other influential writers in past centuries were grounded in a pre-industrial agrarian mindset, and so resonate strongly with those who view their own situation and immediate environment through a similar experiential filter – or who romanticize about such times. But with the inevitable pressures of urbanization and globalization creating the 6x6 tensions alluded to earlier, a “don’t



tread on me” mentality just won’t work anymore. Thus we require a new, more rigorous paradigm for what “verifiable free will” actually means for us today, and I hope this paper can contribute to that discussion. All we need to move forward is the collective will to escape the inertia of the status quo and its lugubrious autocracy, to embrace a more integral view of authentic liberty, and the moral maturity to commit to a necessary evolution.



## Answering the Critiques of Collectivism

Questions always seem to arise around collectivist proposals, and so I want to nip some in the bud if I can with a brief FAQ that responds to issues I have been asked about when exchanging ideas with others:

1. **Is integral liberty Marxist?** Not really, though it does address many of Marx's central concerns. The closest ideological approximation is *libertarian socialism*, as influenced by participism, anarcho-syndicalism, eco-socialism and deep ecology – but it is also not completely or exclusively adherent to any of these.
2. **Is integral liberty anarchistic?** Not pure anarchism, no – and certainly not along the lines of *individualist* styles of anarchism. However, it does de-emphasize central government to a large degree.
3. **Do you consider individualism immoral?** Not at all – just morally immature. It is also an increasingly unsustainable orientation at a time when technology allows individuals to have tremendous, disproportionate impacts on others and on their surroundings, and in a complex interdependent world which is, ultimately, a closed system with limited resources.
4. **What about past failures of collectivism?** Past failures do exist, and IMO the cause can nearly always be attributed to either a lack of participatory processes, a lack of sufficient moral development in the participants, or to the experiments being imbedded in a dominant State capitalist system that isolated the group, antagonized cohesion, and constantly hammered away at collectivist values with commercialistic memes.
5. **What about people who don't want to conform to social expectations, or share resources, or be morally mature?** They will have a place in any community that practices integral liberty – it will just be a less prestigious place than in a capitalist system where such behavior is rewarded. There may even be communities that form around more egoic, I/Me/Mine levels of development, and as long as they don't interfere with the liberties of other communities, they will be largely left alone. However, there will still need to be standards of



integration (commerce, transportation, communication, energy, law, etc.) at the boundaries of such communities.

6. **Is integral liberty nonviolent?** Yes, in the sense of “doing no harm or the least harm.” It would advocate the use of non-lethal force for community policing, only defensive force for self-preservation in larger conflicts, and nonviolent civil disobedience as a means of individual and collective action.
7. **Can capitalism be retained in integral liberty?** No. The tyranny of private property will always increasingly interfere with liberty. Competition, exchange economies, fiat currencies, investment banking and other capitalist elements may remain throughout a potentially lengthy transition period, but even these will likely attenuate over time as societal priorities and individual incentives shift into prosocial practices and systems informed by the *unitive principle*.
8. **Could anyone become wealthy within this system?** Of course. The ability to accumulate *social credits* would be unrestricted. A person could, conceivably, accumulate enough credits to take extended vacations and travel the world, or go back to school to study something new or learn new skills, or spend a year just writing poetry or meditating or whatever. They just would have “earned” this wealth of credits through exemplary citizenship and compassionate action – rather than through exploitation, sociopathology, deceptive manipulation, or moral turpitude. There also would be shares of communal property and worker-owned cooperatives that are potentially transferrable or convertible.
9. **Do you foresee any problems in reifying integral liberty proposals?** Certainly. There will be tremendous resistance from those who celebrate greed and personal wealth-accumulation, who value willfully self-referential autonomy, who are unable to relinquish their own toddlerhood, or who are simply afraid. There is also the matter of status quo inertia. Change is hard.
10. **What is the single most important factor in implementation?** Encouraging intellectual, psychosocial, spiritual and moral development through Integral Lifework or other integral practice. Without such development, integral liberty could create more dissonance than harmony; without love-consciousness percolating through communal, collectivist engagements, it will likely fail.



## Appendix A: Strata of Moral Development

Self-Identification	Strata of Moral Valuation
<p style="text-align: center;"><b>Unitive Infinite</b></p> <p>Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications</p>	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all -so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree -but nevertheless carefully balanced -flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>
<p style="text-align: center;"><b>Formless Infinite</b></p> <p>Self Equates Non-Being, Non-Identification, “No Self”</p>	<p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying sturcturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>
<p style="text-align: center;"><b>Shared Spirit</b></p> <p>Identification With All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates “the good of All” (that is, the greatest good, for the greatest number, for the greatest duration). “The good of All,” in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still</p>



	<p>be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion -a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>
<p style="text-align: center;"><b>All-Being</b></p> <p style="text-align: center;">Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>
<p style="text-align: center;"><b>Earth Life</b></p> <p style="text-align: center;">Identification with Every Living System on Earth – All Its Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;"><b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>
<p style="text-align: center;"><b>Human Society</b></p> <p style="text-align: center;">Identification with All People Everywhere</p>	<p style="text-align: center;"><b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>
<p style="text-align: center;"><b>Affinitive Community</b></p> <p style="text-align: center;">Identification with All People Who Share the Same</p>	<p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences,</p>



<p>Values or Experience</p>	<p>rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; nonconformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>



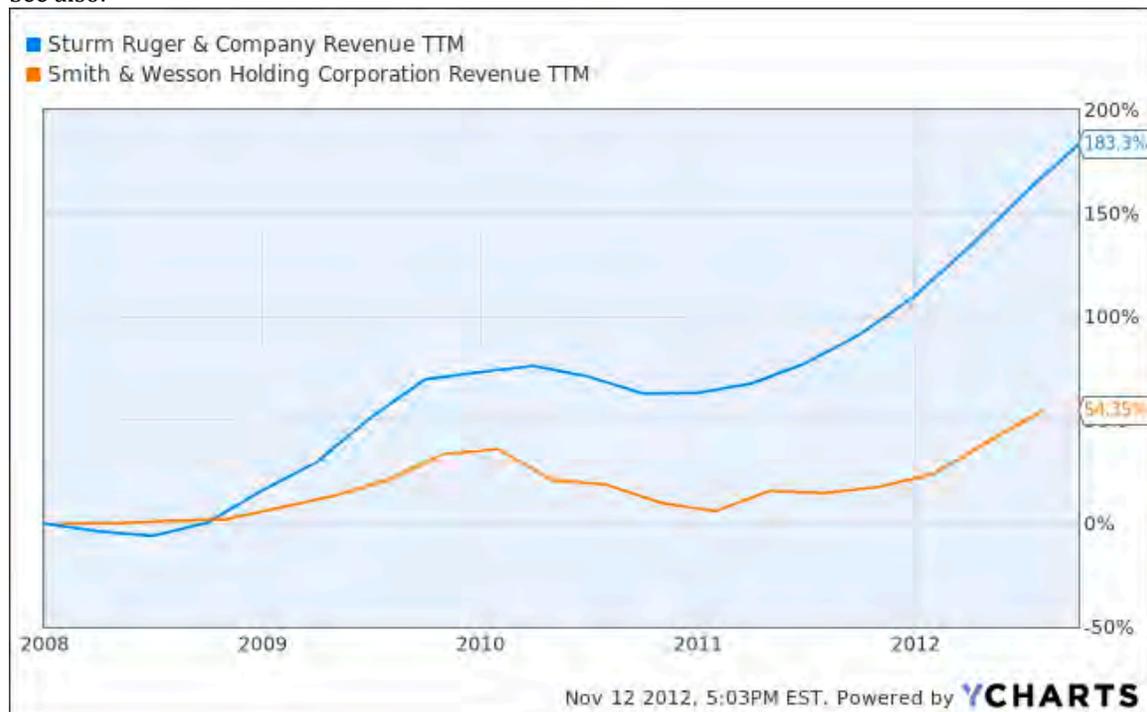
<p style="text-align: center;"><b>Secure Tribal Position</b></p> <p style="text-align: center;">Identification with “My People”</p>	<p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with and subjugation of -other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>
<p style="text-align: center;"><b>Insecure Tribal Position</b></p> <p style="text-align: center;">Identification with “The People I Want to be My People”</p>	<p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is “right” or “wrong” is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small -a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>
<p style="text-align: center;"><b>Ego Identity</b></p> <p style="text-align: center;">Identification with Ego</p>	<p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>
<p style="text-align: center;"><b>Formative Identity</b></p> <p style="text-align: center;">Developing Ego and Ego-Identity</p>	<p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>
<p style="text-align: center;"><b>Unformed Identity</b></p>	<p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>



## Footnotes

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- <sup>13</sup> Ibid.
- <sup>14</sup> See “The Chicago Plan Revisited” at  
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See <http://amadorcountynews.org/2014-04/American%20Politics%20-%20Elites,%20Interest%20Groups,%20and%20Average%20Citizens.pdf>
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## THE PROBLEM OF VIRTUAL CAUSALITY

### Superagency, Cognitive Errors, and the Nature of Good and Evil

by T.Collins Logan

*(Special thanks to Petyr Cirino, whose thoughtful exchanges with me inspired this particular essay.)*

As daily events around the world illustrate, we have unquestionably arrived at the age of human superagency — in terms of both positive and negative impacts. On smaller scales of individuals and groups, there are the negative impacts of mass shootings, suicide bombers, toxic waste leaks, chemical plant explosions, contamination of water supplies with heavy metals, contamination of local food chains with pathogens or harmful chemicals, and other disruptions of limited scope. And of course the positive side of this local superagency includes the complex infrastructure, interdependent systems and services that support burgeoning municipalities and allow them to thrive. So in both constructive and destructive ways, we can easily see how complexity, technology and superagency are linked. On the national and global scale, a more collective superagency manifests on the one hand as disruption of everything from infrastructure and commerce to news and elections by small groups of dedicated hackers or activists, to the accelerating extinction of well-established species all around the planet as a consequence of human activities, to the radioactive contamination of vast swathes of air and water after nuclear power plant meltdowns, to the extreme temperatures and chaotic weather patterns resulting from over a century of human industry. On the positive side, humanity has been able to extract and distribute limited resources far and wide on a global scale, linked and negotiated disparate cultures and language around the planet to the benefit of many, and generated and shared huge amounts of knowledge and information to an impressive degree. At these larger scales, complexity and technology are also intimately entangled with superagency, but such impacts appear to depend more on the collective habits and influence of huge populations than on individuals or groups. Ultimately, it seems to have been the aggregate of individual, group and global

population impacts that constitute a tipping point for the blossoming of human superagency on planet Earth.

But why does this matter?

One conventional answer is that this matters because our superagency has far outpaced our moral maturity; that is, our ability to manage superagency at any level — individually, tribally or globally — in a consistently beneficial or even sane fashion. Of course this is not a new observation: social critics, philosophers, prophets and artists throughout history have often observed that humanity is not very gifted at managing our own creative, acquisitive or political prowess; from the myths of Icarus and Midas, to the admonitions of Aristotle and Solomon, to tales of Frankenstein and Godzilla, the cautionary narratives of precipitous greed, clever invention and unabashed hubris have remained virtually unbroken across the span of human civilization. But should this perennial caution be our primary concern? Don't civil society, advancing education, widespread democracy and rigorous science mitigate the misuse or overreach of personal and collective power? Don't such institutions in fact provide a bulwark against an immature or degraded morality's ability to misuse humanity's greatest innovations and accomplishments? Aren't these the very failsafes intended to insulate society from its most irrational and destructive impulses...?

First, I would attempt to answer such questions by observing that moral maturity — along with all the societal institutions created to maintain and protect it — has been aggressively undermined by capitalist enterprise to an astonishing degree: via the infantilization and isolation of consumers, the substitution of internal creative and interpersonal riches with obsessive consumption of external commodities, the glorification of both greed and material accumulation, and the careful engineering of our addiction to comfort. But these concerns are the focus of much of my other writing (see [The Case Against Capitalism](#)), not to mention the more deft and compelling writings of countless others, so I won't dwell on them here. Instead, I would turn some attention to what is perhaps an even more pernicious tendency in human affairs, one that has persisted for just as long as all these other degrading impulses and influences. Yes, in a globally collective sense, our moral maturity and capacity for positive moral creativity has seemingly regressed or stagnated even as our superagency has increased — and yes, capitalism is largely to blame for the most recent downward

spirals. But there is something more basic and instrumental in our psyche that energizes greed, hubris, arrogance and reckless destruction...something fundamental to our being that needs to be called out. Something that, by any measure, reliably contributes to all sorts of evildoing.

And of course attempts to explain the nature of such evil are also not new. Many have attempted to ferret out the source of our darkest impulses, accrediting them to supernatural beings — Aite, Eris, Angra Mainyu, Satan, demons and mazzikim, bhoot and Pishacha, etc.— or describing it in terms of psychological phenomena like selfish compulsions and egotism, death drives (*Todestriebe*), maladaptive behaviors, severe mental disorders, and so forth. But identifying a more accurate underlying causal pattern will, I think, require a departure from these traditional frameworks. Instead, perhaps we can evaluate a series of straightforward cognitive errors that supportively interconnect, amplify and then calcify over time to create a specific, deleterious and measurable impact on both human interiority and society. Perhaps "evil" can, on some basic level, be defined as a simple cognitive mistake, and "good" as the correction of that mental error.

### ***A Corrosive Troika Defined***

With respect to causality, there appear to be three consistent factors that continually surface across the vast terrain of human affairs:

1. *Misattribution* of causation (as an unintentional mistake or conditioned response)
2. Intentional *masking* of causation (as deliberate and targeted distortions that reinforce misattribution); and
3. Willful *forcing* of causation (designed to support and reinforce deliberate distortions)

Together these create a *virtual causality* — that is, causality that is almost completely disconnected or substantially insulated from reality, while still imitating certain believable elements of the real world amid elaborate rationalizations. We can posit that this pretend causality entices a willing suspension of disbelief — for those who are vulnerable, coerced,

deceived or conformist — that perpetuates self-insulation and additional supportive distortions. So let's take a careful look at each of these components, in order to appreciate just how instrumental they are in everything human beings think, feel and do, and how the modern age seems to be shaping them.

## I. Misattribution

Humans make this cognitive mistake so often that it is somewhat ridiculous to point it out: we blame the wrong culprit for our problems, and consequently pursue the wrong solutions to fix them. Add some additional, deleterious unintended consequences to these kinds of mistakes, and the resulting conditions could easily be described as "what leads to much suffering in the world;" that is, what has perpetuated much of the destruction, unhappiness, suffering, pain and annihilation throughout human history. The dangers of misattributed causation are identified in many if not most wisdom traditions — we can discern this in admonitions about judging others too quickly, gossiping about our suspicions, bearing false witness, words spoken in anger, living by the sword, throwing the first stone, revenge, showy public worship, etc., along with the contrasts of repeated encouragement to forgive without conditions, be patient and long-suffering, generous and caring, humble and trusting. Such concerns are certainly echoed in more recent empirical and rationalist approaches to both knowledge and socially constructive behaviors as well; for example, research in psychology around the misattribution of arousal to incorrect stimuli, or the application of the scientific method in understanding and resolving complex empirical challenges. But sometimes the obvious and longstanding begs restating, so we will briefly address it here.

Let's consider a few relatively neutral examples, then drill down to a few more compelling, nuanced and disturbing details. For example, most reasonably perceptive adults might agree from their own direct observations, fairly straightforward and simplistic reasoning, or trusted sources of learning that:

1. Sunlight warms the Earth.
2. Submerging crusty pots and pans in water for a time makes them easier to clean.
3. Regularly and violently beating a domesticated animal will eventually induce behavioral problems in that animal.

4. A sedentary lifestyle, devoid of exercise and full of rich foods, will lead to chronic health problems.
5. Smiling at people with genuine openness and affection generally encourages openness and a positive emotional response in return.
6. A heavy object dropped from the second floor of a building onto someone's head is likely to kill them.
7. Really awful things happen to perfectly decent, undeserving people with some regularity.
8. Choosing "the easy way out" of a given situation — that is, a choice that seeks to fortify personal comfort or avoids personal accountability — is often much less fruitful or constructive in the long run than making a harder, more uncomfortable choice that embraces personal responsibility.

There are probably hundreds of thousands — if not millions — of such causal chains that most people have internalized and rely upon to navigate their day-to-day lives. We may not always be consistent in our reasoning and application of them, and there are often exceptions or special conditions that moderate the efficacy of our causal predictions, but on-the-whole we usually learn over time which causal attributions are correct, and which are mistaken. That is...unless something interrupts that learning process.

And this is where I feel the discussion becomes interesting. For it is my contention that many characteristics of modern society not only disrupt our ability to learn and predict accurate causal relationships, *but actually encourage distortions and misattributions*. How? Here again we will see how complexity, technology, and superagency strongly facilitate the disconnect...but also that we can add isolation and specialization to the mix as well. If, over the course childhood, my entire reference set for understanding causal relationships is defined by television and video games, and I have never thoroughly tested any of the assumptions inculcated through those media, how will I ever escape their fictional depictions? At around age eight or nine, I myself attempted to duplicate some of the crazy stunts Bugs Bunny and Roadrunner performed in Warner Brothers cartoons. I quickly learned that gravity, momentum, inertia, the velocity of falling objects, and host of other principles of physics were grossly misrepresented in those TV shows. I also learned that I did not recover from serious injury nearly as quickly as Wily Coyote did. But what if I hadn't learned any of this through experience? What if I had always been insulated from

real-world testing and consequences? What if I kept assuming that the fiction I was being shown for entertainment was the actual truth...?

I find this a handy metaphor for modern society, because, throughout most early stages of development, human beings can now remain completely insulated from experiences that shape our understanding of *actual* causality. Over the years I have witnessed young people trying to ride a horse, play an instrument, write a story, draw a picture, shoot a gun, drive a car, run a race, play a sport, build a tree house, use martial arts...and a host of other activities or skills...simply by imitating what they saw in a movie, played in a video game, or read in a book. And of course that doesn't work — because they do not understand the subtleties of the causal relationships involved. This is what competently learning a skill most often represents: appreciating all of the causal relationships that influence a given outcome, and practicing each one in turn until they are mastered individually and conjointly. What application of force, in which direction, using which tool at which angle and with what kind of finesse, results in unscrewing a rusty bolt on an old bicycle? Knowing the answers to all the steps in a causal chain, especially through personal experience, is what most reliably produces predictive efficacy over time. But if I've never actually ridden a horse, or hiked a mountain, or slaughtered a chicken, or grown food in a garden, or learned to shoot a bow and arrow, or installed a fence, or built a house, or felled a tree, or any number of other activities that might have been the common experience of folks a mere generation or two ago, how can I presume to know how the world around me really works, or how to accomplish the simplest tasks without the aid of technology, advanced tools, or specialized workers and knowledge on which most of the developed world has now come to rely?

Well I can't, and no amount of assistance from my iPad, smartphone or virtual assistant is going to help me develop a felt, somatic-intuitive understanding of basic causal principles — let alone more complex causal chains. I will remain blissfully ignorant of how things work. However, these same technologies also provide an ever-advancing level of virtual pseudoagency — by using my virtual assistant or smartphone to turn home appliances on or off, monitor a child's activities, video conference with coworkers, order groceries to be delivered, record a threatening phone call, troubleshoot a vehicle's error codes, manage finances, donate to a charity or political campaign, sign a petition, etc. — so that I begin to believe that I really have no need to grasp any fundamental causal principles. In fact, the

increasing scope of that virtual pseudoagency begins to feel a lot like superagency itself, even though the only causal relationship I am required to maintain is the one with my iPad, smartphone or virtual assistant. Here again, complexity, technology, superagency, isolation and specialization conspire to support my entanglement with virtual causality. And if I confine myself to the same routines, the same environments, the same social groups and virtual communities, the same homogenous or specialized cultures and mass media...it is possible for me to remain disconnected and insulated from authentic causality for my entire life. So, just hold that thought if you will.....

Let's now examine a second set of causal relationships that are a bit more abstracted from direct experience, rely on more complex reasoning, or encourage us to develop greater trust in authoritative sources of information:

1. Human industry has been accelerating the warming of the planet to levels that will likely destabilize human civilization, and eventually endanger all other life on Earth.
2. Travelling through space at velocities approaching the speed of light slows down time for the traveller relative to the space being travelled through.
3. Gun ownership may make people feel safer, but as a statistical reality it places them at much higher risk of being shot themselves.
4. One of the best ways to mitigate the most pernicious negative impacts of drug addiction on individuals and society is to legalize, tax and regulate drugs, and then allow them to be administered in a controlled environment with medical oversight, and by folks who are also trained in providing treatment and resources to anyone who is willing and able to overcome their addiction.
5. Quantum entanglement (what Einstein called "spooky action at a distance") indicates an immediate relationship between particles over vast distances, potentially negating the speed of light as a limiting factor for data transmission.
6. Educating people from an early age about safe sex, family planning and child rearing, and allowing them easy, affordable access to reproductive healthcare and choices, is one of the most effective ways to reduce unwanted pregnancies, teen pregnancies and abortions.
7. Corporate monopolies can often be much more inefficient, coercive, exploitative and corrosive to civil society and individual well-being than the bureaucratic or cumbersome institutions of democratically elected governments.

8. Educating and empowering women to become more economically self-sufficient, and more intellectually and emotionally self-directed, is likely the single most effective means of raising a culture out of poverty, slowing overpopulation, and strengthening local civil society over a short period of time.

Now you will notice that this second set of causal relationships has some notable differences from the first set. Each statement has required more words for an accurate description, for example, and a deeper and broader contextualization. The causality being described can also be much larger in scope, and causal chains much more subtle, abstract or tenuous. And even as these relationships are increasingly distanced from direct experience and observation, they also tend to involve more complexity and interdependency, making them that much more difficult to grasp. Still, any reasonable person who has carefully and thoroughly educated themselves about each of these issues will eventually acquire a justifiable level of confidence in the stated conclusions, *because, with sufficient attention, diligence and effort, the causal relationships actually become just as obvious as the ones in the first set.*

But wait....let's return to the problem of lacking experiential (felt, somatic-intuitive) understanding about the real world. As very few people will have the chance to experience any of the causal relationships in the second set in a subjective, firsthand way, an additional challenge is created: we will often be forced to rely on the few people who have the specialized knowledge, expertise and experience to educate us about these causal relationships. And we will need to be able to trust their judgment — and often their exclusive agency — at least to some degree, even though we may not fully comprehend what they are describing in a fully multidimensional way. And, as we shall see, this whole enterprise is subject to a host of additional influences and caveats, so that we may once again find ourselves relying on our iPad, smartphone or virtual agent to support our understanding. Here again our technology, isolation, specialization, superagency and complexity conspire to add more distance and effort to clear or accurate causal comprehensions. Now add to this the accelerating complexity of every gadget, tool and system upon which we rely to navigate the complexity of our world to levels beyond our basic knowledge, and the distance increases further still. And as we anticipate the imminent expansion of virtual reality technology itself into more and more areas of our

*lives, we can begin to imagine just how disconnected human beings will inevitably become — from each other, from themselves, and from the causal workings of the world.*

With this in mind, for many people there may also be a pronounced gap of doubt between these two sets of causal relationships, with the second set seeming much more tentative, conditional or questionable. For these skeptics, it often will not matter how much evidence is presented in support of any given conclusion...especially if that conclusion contradicts their values system, or challenges certain fundamental assumptions they hold about the world, or is perceived to undermine their preferred information authorities, or pokes and prods at their sense of identity and place in society. Given the choice, the skeptic may instead opt for tolerating higher and higher levels of cognitive dissonance.

Of course, the highest level of understanding about these topics (among people we know) may again just be armchair expertise, with no real-world experience to back it up. In such cases, when authoritative data and expertise is repeatedly dismissed out-of-hand, it becomes easier to attribute such irrational or ill-informed doubts to ignorance alone — or to cognitive bias, the Dunning-Kruger effect, tribal groupthink, being intimidated by complexity, ideological brainwashing and manipulation, abject stupidity, or some other equally dismissive explanation. In fact I have made this judgmental error myself, often amid roiling frustration when someone expresses their belief that, to paraphrase Asimov, their ignorance is "just as good as" rigorous investigation and knowledge. But this judgmental reflex has been, I now suspect, a glaringly lazy oversimplification; itself yet another misattribution of causation. Instead, what I now believe is actually happening is something much more intricate, and much more intriguing.

## II. Masking

There are plentiful reasons why an individual or group might be strongly motivated to persuade themselves or coerce others into believing that one thing is responsible for certain outcomes, when it is really something else entirely...and then aggressively deny or reject the truth. Consider such real-world conditions as:

1. I want to sell you something that you don't really want or need, and in order to part you from your money, I fabricate causal relationships to facilitate that end. For example, I might claim that if you purchase a certain supplement, you won't need to exercise or change your diet to lose weight. Or that if you make a given long-term investment, you will be able to retire from your job decades earlier than you would otherwise. Or that if you trust in the products, services or advice I am selling you, you will achieve happiness, romance, social status, or a desirable level of financial success. And so on. This is perhaps the most pervasive example of intentional causal masking and deliberate deception — except of course when the salesperson (or friend, or coworker, or public official, etc.) may actually believe that the causal relationship is real, in which case they were just hoodwinked into complicity themselves.
  
2. I am confused, fearful, insecure and frustrated by an increasingly complex and incomprehensible world — a world in which my identity is uncertain, my role in society is uncertain, my existential purpose has come into question, and I am simply unable to navigate the complexity around me with any self-assurance that I have any real agency or efficacy. I am also feeling increasingly lonely, isolated and disenfranchised by fast-paced, constantly changing urbanization and leapfrogging technologies, in combination with the pressure-cooker-effect of burgeoning population density. I feel I am in desperate competition — for both resources and achieving any personal value to society — with everything and everyone around me...and I feel that I am losing that race. So I latch onto a group, belief or ideology that helps relieve the panic, and inherent to that process is my masking away the actual causes of my existential pain and suffering, and investing in much simpler (but inaccurate) causal relationships through which I can imagine that I have more influence or control. And thus I may join a religious group, or political party, or ideology, or online community, and actively surrender my own critical reasoning capacity in favor of comforting groupthink or ingroup/outgroup self-justifications.
  
3. Some impactful life experience or insight has inspired a reframing of all of my consequent observations and experiences according to a new paradigm — a paradigm that radically departs from previous assumptions, and applies a new filter

- for causation across all interactions and explanations. For example, after surviving a brutally violent event, I feel the need to protect myself and everyone I care about with elaborate and oppressive safety rules, rigid communication protocols, expensive security technology, and a host of lethal weapons. After my experiences, I simply view all interactions and situations as potentially dangerous and requiring a high degree of vigilance and suspicion. In my revised worldview, everything and everyone has become a potential threat, *and I must always be prepared for the worst possible outcome*. In this way I have masked all causal relationships with potential calamity and catastrophe — and actively persuade others to do the same. In this sense, I have become conditioned to partial reinforcement — similarly to a gambler who wins intermittently, or a mouse who receives a chunk of cheese at arbitrary intervals for pushing on a button in his cage; whether that partial reinforcement invoked positive or negative consequences, I will insist on maintaining masked causation in order to prop up my compulsions.
4. I have made an error in judgment tied to investment of emotions or efforts, which was then followed by other errors required to support that initial error in judgment, until a long series of decisions and continued investment has created its own momentum and gravitational mass, and now seems an inescapable trajectory for my life and my identity. Perhaps I became invested in some logical fallacy or bias (confirmation bias, appeal to authority or tradition, slippery slope fallacy, vacuous truths, courtesy bias, hot-hand fallacy, etc. — see more at [Wikipedia](#)), or initially overestimated my own knowledge or competence in some area, or trusted the advice of some cherished mentor, or took on some tremendous risk or commitment I didn't fully understand, or simply fell into a counterproductive habit that initially seemed acceptable...but has led me down an ever-darkening road. Whatever the case, I now find myself rationalizing each new decision in support of a long chain of mistaken judgments, and must of necessity consciously or unconsciously mask all causal relationships to protect my own ego or self-concept.

Regardless of the impetus, once this masking process begins, it can rapidly become self-perpetuating, a runaway train of misinformation and propaganda that eventually acquires institutional structures like rigidity, bureaucratic legalism, self-protective fervor, a dearth of self-awareness, and so on. In fact, potent beliefs and indeed entire ideologies have sprung

forth from such synthesis, to then be aggressively propagated by adherents, with all provable causes forcefully rejected in favor of fabrications that conform to the new, hurriedly institutionalized worldview.

Recalling the two sets of causal relationships mentioned previously, our modern context of isolation, complexity, technology, specialization and superagency certainly seems to lend itself to both the masking process and its runaway propagation and institutionalization. It has become much easier, in other words, to mask the second set of seemingly more abstracted and complex causal relationships — or to invoke vast clouds of hazy interdependencies in either set — so that causation can be craftily shaped into an occluded, subjective miasma of "alternative facts." And although deities, fate, synchronicity, mischievous spirits and superstitious agency may still be credited with many bewildering events, there is now an industrial strength, global communications network that can instantly shape and amplify false explanations for a wide array of phenomena. Via social media, troll farms, sensational journalism, conspiracy theorists, pedantic talk-show hosts and the like, we have a well-established, *widely trusted* platform to breed outrageous distortions of the truth. And we can easily discern — from the consistency of the distortions over time, and by whom and what they vilify — that the primary aim of nearly all such efforts is to *mask the actual causes of countless economic, social, political and moral problems*, and redirect the attentions and ire of loyal audiences to oversimplified explanations, straw man arguments, and xenophobic scapegoats. It is professional-grade masking at its finest.

That said, in the age of instant information access and pervasive mass media aggregation and dissemination, I would contend it has now become increasingly critical for these propaganda engines to excel beyond spinning evidence or cherry-picking supportive data, and to begin *engineering* events that align with a given narrative in order to secure enduring conformance; to reach past merely masking causation into the realm of actually reshaping it. This is what the deliberate, *willful forcing of causation* seeks to accomplish, and why extraordinary amounts of effort and resources — at least equivalent to those being expended on causal masking itself — have been spent in its pursuit.

### III. Forcing

Willful forcing in this context is primarily about the intentional, frequently sustained manufacturing of causal evidence. For example, let's say I am seething with jealousy over a coworker's accomplishments, and I am filled with a petty lust to sabotage them. At first, I might attempt to mask the cause of their success with malicious gossip: what they did wasn't all that great, or they must have cheated along the way, or the boss was favoring them with special help, or the coworker must have been performing favors for others to achieve such great results. But if *masking* the actual cause of their success (that is, their credible competence, talent, hard work, etc.) isn't having sufficient effect, and I am still raging with vindictive spite, well then perhaps arranging some fake proof of my coworker's faults or failures will do the trick. Perhaps leaking a confidential memo from human resources about accusations of sexual misconduct? Or feeding that coworker subtly incorrect data on their next project? Or maybe promising them cooperation and assistance in private, then denying it in public when it can sabotage their efforts? If I keep at this long enough, I just might induce some real failures and shatter the "illusion" of my coworker's success. This is what willful forcing looks like, and is sort of connivance we might expect from TV dramas. But nobody really does this in the real world...right?

Unfortunately, it happens all the time — and increasingly on larger and larger scales as facilitated by the global reach of technology, capitalism, media and culture. We've seen such tactics used in the take-downs of political leaders, in the character assassinations of journalists and celebrities, in carefully orchestrated attacks on government and corporate whistleblowers, in how various activist movements are dismissively characterized in mass media, and in the billions spent to turn public opinion against beneficial public policies and legislation that might undermine established wielders of power. But is any of this "forcing" creating a causal relationship that wasn't already there...? Well, as one example, if reports of what happened during the 2016 U.S. Presidential election are accurate, then forcing did occur, via DNC efforts that deliberately undermined Bernie Sanders in favor of Hillary Clinton;<sup>1</sup> Republican state legislatures that deliberately suppressed Democratic voters with voter ID laws, restricted polling times and places, and other such tactics;<sup>2</sup> and Russian hackers that aimed to alienate Blue Dog Democrats and independent voters away from voting for Hillary Clinton.<sup>3</sup> So what came to pass was that assertions of any individual or party who appeared to be leading in the polls actually not having enough votes to win

was...well...*carefully engineered to be true*. This is what causal forcing looks like on a larger scale.

In a more sustained forcing effort over a longer period, the Affordable Care Act has also become a particularly potent example. In this case, there was a pronounced lack of initial cooperation from conservative governors and state legislatures,<sup>4</sup> relentless and well-funded anti-Obamacare propaganda to maintain negative sentiments across the electorate,<sup>5</sup> and dozens of efforts in the U.S. House and Senate to repeal the ACA itself — all of which has now been followed by the even more deliberate defunding and insurance market destabilizing efforts from the Trump administration via executive action (eliminating ACA cost-sharing subsidies,<sup>6</sup> etc.). And all of this contributed to *fulfilling the causal masking* that was broadcast by those opposed to government oversight of U.S. healthcare — during the ACA's creation and passage, and every month since then. In other words, years of carefully planned and executed sabotage have been *forcing* the invented causality of claims like "Obamacare is a total failure and will collapse on its own" to become true.

It isn't always necessary to force causal relationships, of course, in order to maintain lockstep conformance. There are plentiful examples in politics of people continuing to vote for a candidate or party who never fulfills any campaign promises...ever. But we must remember that masking — and all individual and collective investment in masking — only requires partial reinforcement from observations and experience, an ongoing emotional investment, a blindness to our own hypocrisy or groupthink, and a conditioned receptivity to deceptive salesmanship. So as long as there is occasional proof that some authority we trust got something right, or some attitude we hold is justifiable, or the ideology we have chosen will still offer us acceptance and community, or the rabbit hole we've ventured down with an endless chain of bad choices has few or delayed palpable consequences...well, then those who wish to influence the masses only need to effectively force causation in the rare now-and-again.

Still, I would contend that a consistent pattern of fabrication has been emerging over many decades now: first misattribution, then masking, then forcing, all eventually leading to calamity and ruin in human relations and civil society — and disruption of our relationships with everything around us — thereby generating a closed loop of virtual causality. But in

case these assertions seem contrived, let's take a closer look at additional real-world examples.

### ***Virtual Causality in Action***

Initially, I considered using "trifecta" to describe this particular trio of causal entanglements, because the motivations behind it appear to be all about winning; that is, it is employed primarily to shape a status quo that either directly benefits those who crave more power, influence or social and material capital, or directly injures or oppresses anyone interfering with that desired status quo. Thus the troika often becomes the trophy, the prize-in-itself, as its inventions and propagation become emblematic of such self-serving success — in other words, a trifecta. But really, this need not be the specific intent behind causal distortions; in fact I would say that the virtual causality troika is unwaveringly damaging in human affairs, *regardless of its intent*. Let's examine some evidence for this....

If, out of fear, discomfort, confusion, ignorance or social conformance, I begin to misattribute homosexuality to a personal choice — rather than the innate, genetic structures and proclivities, which are almost certainly the reality for most gay people — and then link that assertion to tribal groupthink and an appeal to my favorite authorities, an almost effortless next step is intentionally or reflexively masking the actual causality with my own preferred beliefs. That mask may be projected into many shapes: perhaps an unhealthy or perverse interest was encouraged in a person's youth that led them to "choose" being gay; or perhaps they were sexually abused by a parent, older sibling or family friend; or maybe there are emotional, social or cognitive impairments that have led them to fear the opposite sex; and so on. There can be quite elaborate masking narratives if the need for self-justifying beliefs is strong enough. From there, perhaps because the misattribution itself is so heartbreakingly mistaken, there is a corresponding urge to force the desired, invented causation. Which then leads me...to author studies that "prove" early sexualization of children and/or permissive parenting somehow encourages sexual deviance, promiscuity or gender instability; or to engineer "gay deprogramming" efforts that "prove" gay people can become straight; or to create dogmatic propaganda that authentic marriage can *only* be between "a man and a woman," that gay parents can never

be allowed to adopt children because it is "unnatural," that gay people can't hold jobs where they could potentially "corrupt" children, and other such constructions that *manufacture an environment where gay people are in some way prevented from becoming successful and happy in their relationships, families, and jobs — and indeed their overall integration in society* — thus eventually confirming, with contrived "proof" over time, that being gay is not natural, healthy or wise. And this is how *misattribution* easily leads to *masking*, which then begs the reinforcement of *forcing*.

So in such a potent and seemingly enduring real-world example, the deleterious effects seem closely tied to fearful and dismissive intent. But what about the other end of the spectrum? Consider the beliefs of many people in modern culture regarding the desirability of wealth, and in particular the necessity of commercialistic capitalism to create a thriving and happy lifestyle for everyone. Much of the time, this isn't a nefarious or malevolent intent — folks may actually believe that everyone aggressively competing with each other for more and more wealth is "a good thing," and, further, that such pursuits are morally neutral; in other words, permissive of an "*anything goes*" mentality with regard to wealth creation. And if I truly embrace this belief, I will tend to mask my own observations about the world, about history and economics, about social movements, about government and everything else in accordance with that belief. In my unconsciously reflexive confirmation bias, I will only recognize arguments and evidence that seem to support my beliefs. That is, I will mask the actual causality behind events and data that embody my preferred causality, assiduously avoiding empirical research that debunks the travesty of "trickle down" economics, or that proves most conceptions of the Laffer curve to be laughable.

Then, because my beliefs are not really supported by careful analysis of available evidence — and are in fact thoroughly contradicted by a preponderance of data — I will eventually go beyond seeking out research, media and authorities that amplify my preferred causation, and begin to force that causation in my own life, the lives of those I can personally influence, and via my political leanings and spending habits. On a collective scale, I will vote to have judges appointed who favor corporations in their rulings, or for legislators who create tax breaks for the wealthy, or for Presidents who promise to remove regulatory barriers to corporate profits. On a personal level, I will explode my own debt burden in order to appear more affluent, and constantly and conspicuously consume to prop up growth-dependent markets. And, on a global level, I will advocate neoliberal policies that exploit

cheap labor and resources in developing countries, and the ruination of my planet and all its species of plant and animal, in service to the very few who are exponentially increasing their personal fortunes. In these ways, I can help generate short-term surges of narrowly distributed prosperity that do indeed reward those who have already amassed significant wealth, and who will vociferously confirm that everyone else in society is benefitting as well...even when they are not.

In this second example, there can be a truly optimistic and benevolent intent in play — a person may really believe their misattribution, masking and forcing will create the positive impact they imagine. But the results of the disconnect between actual causality and invented causation still wreaks the same havoc and suffering in the world. For in this case we know that it is not wealth alone — operating in some sort of market fundamentalist vacuum — that lifts people out of poverty or liberates them from oppressive conditions. It is civil society, education, democracy, accessible healthcare, equal rights protected by the rule of law, the grateful and diligent civic engagement by responsible citizens, and much more; this cultural and societal context is absolutely necessary to enable freedoms and foster enjoyment of the fruits of human labor. Without a substantive and enduring matrix of such complex and interdependent factors, history has reliably shown that wealth production sans civil society results in callous and brutal enslavement of everyone and everything to its own ends, so that to whatever extent greed runs amok, the destruction of individual and collective well-being is facilitated to the same degree.

Here again we can recognize that isolation, complexity, technology, specialization and superagency tend to obscure causality, even as they amplify our ability to mask or force causal relationships. So on the one hand, it is more difficult to tease out cause-and-effect in complex, technologically dependent economic systems, but, once certain key effectors are identified, human superagency then makes it much easier to manipulate temporary outcomes or perceptions of longer-term outcomes. And this is precisely why the troika we've identified can maintain the appearance of victory within many dominant mediaspheres, noospheres and Zeitgeists — at local, national and global levels. To appreciate these dynamics is to have the veil between *what is real* and *what is being sold as reality* completely removed — in this and many other instances. Otherwise, if we cannot remove that veil, we will remain trapped in a [spectacle](#) of delusion that perpetuates the greatest suffering for the greatest number for the greatest duration.

As to how pervasive and corrosive virtual causality has become in various arenas of life, that is probably a broader discussion that requires more thorough development. But, more briefly, we can easily observe a growing body of evidence that has widely taken hold in one important arena. Consider the following example and its consequences:

**Perceived Problem:** Social change is happening too quickly, destabilizing traditional roles and identities across all of society, and specifically challenging assumptions about the "rightful, superior position" of men over women, white people over people of color, adults over children, humans over Nature, and wealthy people over the poor.

**Actual Causes:** Liberalization of culture, education, automation, economic mobility and democratization have led to wealthy white men losing their status, position and power in society, so that they feel increasingly vulnerable, insecure and threatened. And while their feelings of entitlement regarding the power they are losing have no morally justifiable basis — other than the arbitrary, serendipitous or engineered advantages of past traditions, institutions and experiences — these wealthy white men have become indignant, enraged and desperate. So, rather than accepting a very reasonable equalization of their status and sharing their power with others, they are aggressively striving to reconstitute a perceived former glory.

**Misattributions:** Recreational use of illicit drugs, sexual promiscuity, homosexuality, lack of parental discipline, immoral and indulgent entertainment media, immigrants or races with different values, governmental interference with personal liberty and moral standards, and liberal academic indoctrination have all contributed to the erosion of traditional family values and cohesion, resulting in an unnatural and destructive inversion of power dynamics in society and the easily grasped consequences of interpersonal and group conflict, increases in violent behaviors and crime, and general societal instability.

**Causal Masking:** Establishing think tanks and funding research that supports these causal misattributions with cherry-picked data; using mass media with a dedicated sympathetic bias to trumpet one-sided propaganda about these same causal misattributions; invoking religious sentiments and language that similarly cherry-pick scriptural and institutional support for sympathetic groupthink and activism; generating cohesive political platforms and well-funded campaigns grounded in these misattributions — and in the dissatisfaction,

resentment and anger they evoke; and, via populist rhetoric, generally emboldening prejudice and hate against groups that threaten white male power.

**Causal Forcing:** The strident dismantling of public education and access to higher education; cancelling or defunding successful government programs; capturing or neutering regulatory agencies; destroying social safety nets; rejecting scientific and statistical consensus in all planning and policy considerations; and engineering economic, social and political environments that favor the resurgence of wealthy white male privilege and influence. In other words, removing any conditions that encourage equitable resource distribution, sharing of social capital, and access to economic opportunity, and restoring as many exclusive advantages as possible to wealthy white men.

**Consequences:** A renewal of income inequality, race and gender prejudices, lack of economic mobility, and cultural and systemic scapegoating of non-white "outsiders;" pervasive increase in societal instability and potential for both violent crime and institutional violence; mutually antagonistic identity politics and class conflict that amplifies polarization and power differentials; coercive use of force by the State to control the increasing instability; and gradual but inevitable exacerbation of injustice and systemic oppression. Adding superagency, isolation, specialization, complexity and technology to this mixture just amplifies the instability and extremism, increasing the felt impacts of ever-multiplying fascistic constraints and controls. Ultimately all of this results in increasing poverty and strife, and in pervasive deprivations of liberty for all but a select few.

### ***Countering Virtual Causality with a Greater Good***

In response to the dilemmas created by the troika we've discussed so far, I've been aiming to work through some possible solutions for several years now. I began with a personal realization that I had to address deficits in my own well-being, deficits created by years of conforming to toxic cultural expectations about my own masculinity, and the equally destructive path of individualistic economic materialism which I had thoughtlessly followed throughout much of my life. I encountered an initial door to healing through studying various mystical traditions and forms of meditation, which resulted in my books *The Vital Mystic* and *Essential Mysticism*. However, I also realized that this dimension was only part

of the mix; there were at least a dozen other dimensions of my being that required equal attention and nurturing. As I explored these facets of well-being, I arrived at the [Integral Lifework](#) system of transformative practice, my books *True Love* and *Being Well*, essays exploring compassionate multidimensional nourishment (see [www.tcollinslogan.com](http://www.tcollinslogan.com)), and the onset of an Integral Lifework coaching practice.

But something was still missing — something more causally essential or fundamental, that was hinted at in my previous experiences — and that is when I expanded my attentions to larger cultural, political and economic concerns. I began writing about the failures of capitalism, the distortions of religion and spirituality in commercialistic societies, the need for more holistic appreciations of liberty and knowledge, and the imperative of constructive moral creativity — offering a handful of what I believed to be fruitful approaches in these areas. Much of this culminated in the book *Political Economy and the Unitive Principle*, and then in my [Level 7.org](#) website, which explore some initial ways out of the mess we have created. Throughout these efforts, I presented what I believed to be some of the central causal factors involved in our current systemic antagonisms and failures, and some proposed next steps to actualize and sustain positive change. Of course what I have outlined in my work *is just one way to frame all of these situations and factors*, and, regardless of intentions, there will likely be many details and variables yet to be worked through. This is why piloting different participatory, distributed and egalitarian options will be so important in the coming decades. The main point, however, is that, just as so many others have recognized, *humanity cannot continue along its present course*. We must reverse the trends of moral immaturity and regression, and return to right relationships — compassionate, thoughtful, caring relationships — with each other and with the truth.

So this essay regarding virtual causality is an extension of this same avenue of considerations and concerns by burrowing through more layers of the onion — just one more piece of the puzzle, one more way to evaluate the current predicament...and perhaps begin navigating our way out of it. It seems to me that recognizing the cognitive distortions behind causal misattribution, masking and forcing are a central consideration for any remedy in the short and long term. I firmly contend that these involve the specific drivers underlying much of the evil in the world, perpetuating false promises that will only lead us over the cliff of our own demise. And in order to operationalize more constructive, prosocial, compassion-centered values, relationships and institutions on any scale — that is,

to counter the corrosive troika and promote the greatest good, for the greatest number, for the greatest duration — we must address those cognitive distortions head on. We must end the reign of lies, and reinstate a more honest, open and well-reasoned relationship with causality. We must resist the false reality we are being sold, and open our eyes, hearts, spirits and minds to what really is.

How do we do this? Well, the totality of my own life's work to date describes one avenue, through which I advocate specific individual and collective efforts to reverse our downward spiral. But as I cruise around the Internet from day to day, I encounter countless varied ideas, practices and resources supportive of positive change. Really, the answers are already out there (and within ourselves), just waiting for us to embrace them. All we really need to do to begin this journey is let go of the causal misattributions, masking and forcing that intrinsically fuel our perpetual fear, mistrust, anger and groupthink, and turn instead toward what is verifiably true — as complex, nuanced, ambiguous and counterintuitive as that truth may be. And there are already meaningful efforts along these lines within some disciplines — *Freakonomics* comes to mind, as do websites like [politifact.com](http://politifact.com), [factcheck.org](http://factcheck.org), [opensecrets.org](http://opensecrets.org), and [snopes.com](http://snopes.com) — that model ways to peek through the veil of our mistaken assumptions and beliefs. *We just require more of these, across all disciplines and all media, along with open accessibility and the encouragement to seek them out.* How hard could this be...? Even the most concerted efforts to deceive, distract and medicate us into conformance with virtual causality will fail, if we stop consuming them.

Lastly there are a handful of feasible personal practices that will help resolve part of this challenge. I discuss them in more detail in my writings on meditation and Integral Lifework, but essentially they include reconnecting with aspects of ourselves and our environment that modern life often encourages us to neglect. For example: spending alone time in nature; creating a disciplined habit of meditative introspection; investing regular time and energy in a supportive community that shares our values; shifting how we consciously process our experiences, from fast-paced analytical decision-making, to slower body-centered felt experience, to even slower heart-grounded intelligence; making sure we have space and time in our day for creative self-expression; and additional personal patterns that unplug us from electronic dependencies, naturally attenuate modern compulsions and addictions, and encourage both holistic self-care and compassionate engagement with others. Such practices are a powerful means of revitalizing the innate resilience,

intelligence and creativity that millions of years of evolution have gifted our species. By returning to our authentic selves, we can regain an inner compass to help navigate these complicated and often alienating times.

When I was a technical consultant, there was a term for carelessly hurtling forward to keep pace with current technology, implementing the latest trends as soon as they emerged: we called it "riding the bleeding edge." The allusion was deliberate, because new tech could be risky, could fail, and might lack both technical support and future development. Instead, in my consulting I advocated a different approach: extending legacy systems and future-proofing them, or adding new technology that would integrate with legacy systems (or run in parallel, with minimal cost) that offered extensibility for future technology integration — a bridge if you will. There was nothing particularly flashy about what I was doing, but this approach solved some fairly complex challenges, lowered hidden costs (such as retraining staff on new systems, or hiring expertise to support new technologies), and leveraged institutional knowledge and existing technical competencies. In my view, we need to do something similar for modern society, slowing down wide-scale deployment of "bleeding edge" innovation, and revisiting basic legacy components of human interaction and well-being. We need to create a bridge to our future selves that leaves as few people behind as possible, while preparing us for new ways of being and doing.

But our very first step must be to abandon virtual causality altogether, and reconnect with the real world — within and without — in whatever ways we can.

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Following up on some feedback I received after initially posting this essay....

*Petyr Cirino pointed out that a powerful influence in modern society is our immersion in the 24-hour news cycle, which often results in a strong identification with the same. To be connected at-the-hip with nearly every noteworthy or sensational event around the globe, within minutes or hours of its occurrence, has come to dominate our sense of the world around us, what demands our emotional investment and prioritization from moment-to-moment, and is a determining factor in how we interact with people we know and familiar threads of thinking, how we view the people or thinking we don't know or understand, and*

how we feel about our lives and ourselves. The deluge of information and "newsworthy" events also tends to distract us from more immediate causality, contributing to an ever-expanding insulation from the real world and the abstraction of our interpersonal connections. Along with other mass media, the 24-hour news cycle consequently helps fuel, shape and sustain the causal troika to an astonishing degree. So it follows that divorcing ourselves from that cycle would be a helpful cofactor in first slowing, then remedying the perpetuation of misattribution, masking and forcing — for ourselves, and in how we amplify the troika in our relationships, social interactions, thinking and learning.

*Ray Harris* observed that *limited cognitive capacity — along with a need to protect that capacity from too much information — may also play a role in evoking and energizing virtual causality.* I think this is undoubtedly true, and would include it as a feature or consequence of complexity. Specifically, I think there is a snowball effect where complexity drives specialization, specialization generates insular language and relationships, and insular language and relationships contributes to isolation via homogenous communities and thought fields. These specialized islands barely comprehend each other, let alone regularly dialogue with each other, and cognitive capacity certainly plays a role in this phenomenon. I would also include other aspects of mind that contribute to troika formation, and which are also entangled with complexity, specialization and isolation. For example: how gullible someone is, how disciplined they are in their critical reasoning, how educated they are in general, how tribal their thinking becomes, etc. Addressing these tendencies may also become part of a long-term remedy, but of course there are genetic, dietary, cultural and relational factors involved here as well. It seems that any attempts to manage the troika tendency, or compensate for it in media and communication, would therefore require consideration of a sizable matrix of interdependent factors. Or maybe a majority of humans just need to become smarter, better educated, and learn how to think carefully and critically...? Certainly, we can encourage this through ongoing cultural liberalization — we just need to attenuate the influences of capitalism in order for that liberalization to take its fullest course.

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<sup>1</sup> See <https://www.theguardian.com/us-news/2015/dec/18/bernie-sanders-set-to-sue-democratic-national-committee-over-data-access>; <http://yournewswire.com/wikileaks-dnc-committed-election->

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<http://www.nydailynews.com/news/politics/hundreds-ny-voters-file-lawsuit-alleged-voter-fraud-article-1.2603876>

<sup>2</sup> See <http://www.rollingstone.com/politics/features/the-gops-stealth-war-against-voters-w435890>;  
<http://www.motherjones.com/politics/2017/10/voter-suppression-wisconsin-election-2016/>;  
<http://www.esquire.com/news-politics/politics/news/a56423/2000-recount-republican-voter-suppression/>

<sup>3</sup> See <http://fortune.com/2017/11/02/russia-hackers-u-s-election/>;  
[https://www.washingtonpost.com/world/national-security/dhs-tells-states-about-russian-hacking-during-2016-election/2017/09/22/fd263a2c-9fe2-11e7-8ea1-ed975285475e\\_story.html?utm\\_term=.3146ee394630l](https://www.washingtonpost.com/world/national-security/dhs-tells-states-about-russian-hacking-during-2016-election/2017/09/22/fd263a2c-9fe2-11e7-8ea1-ed975285475e_story.html?utm_term=.3146ee394630l);  
[https://www.nytimes.com/2017/09/07/us/politics/russia-facebook-twitter-election.html?\\_r=0](https://www.nytimes.com/2017/09/07/us/politics/russia-facebook-twitter-election.html?_r=0)

<sup>4</sup> See <https://www.theguardian.com/commentisfree/2013/jun/03/republican-medicare-expansion-sick>;  
<http://beta.latimes.com/opinion/op-ed/la-oe-baker-obamacare-red-state-20170713-story.html>

<sup>5</sup> See <https://rewire.news/article/2017/06/16/democrats-investigate-hhs-pushing-anti-obamacare-propaganda/>;  
<http://www.weeklystandard.com/anti-obamacare-ads-dominate-gop-ad-buys-in-october/article/817183>;  
<https://secure.marketwatch.com/story/why-anti-obamacare-tv-ads-continue-to-air-2013-03-19>

<sup>6</sup> See <http://money.cnn.com/2017/10/13/news/economy/trump-obamacare-subsidies/index.html>;  
[https://www.washingtonpost.com/national/health-science/trump-to-sign-executive-order-to-gut-aca-insurance-rules-and-undermine-marketplaces/2017/10/11/40abf774-ae97-11e7-9e58-e6288544af98\\_story.html?utm\\_term=.f186e4643e90](https://www.washingtonpost.com/national/health-science/trump-to-sign-executive-order-to-gut-aca-insurance-rules-and-undermine-marketplaces/2017/10/11/40abf774-ae97-11e7-9e58-e6288544af98_story.html?utm_term=.f186e4643e90)

# Level - 7

## Tools For A New Political Economy

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### Why are right-libertarianism, market fundamentalism and the “neoliberal agenda” problematic?

(Excerpts from [Blurts & Spasms](#) blog; see also the broader discussion of [capitalism](#))

**Neoliberalism has a simple aim: to consolidate as much wealth, self-serving social capital, and political power in the hands of as few people as possible** — and ideally to the benefit of those who already have most power and wealth in society. This is the polar opposite of Level 7 proposals, which seek to diffuse and distribute and much wealth, collective social capital, and political power as possible.

As an overview, it is important to recognize that neoliberalism has many different — sometimes even competing — mechanisms to actualize strategic neoliberal objectives. As a consequence, there can be a lot of hypocrisy and doublespeak in play, especially in the political sphere, *so we need to look at outcomes that illustrate actual objectives, not just stated philosophical goals*. For example, Milton Friedman’s monetarism is government intervention in markets, belying the Chicago School’s vaunted self-regulation of markets and minimization of government intrusion. A recent clashing integration of economic nationalism and classical liberalism is also now in play: mercantilism is what Adam Smith, David Hume, Bernard Mandeville, and others criticized and sought to

## L7 Neoliberalism

remedy, and yet this is essentially what modern neoliberals are championing — often drawing upon John Locke's attitudes regarding trade. But, behind the striving for ideological orthodoxy, right-libertarian, market fundamentalist and neoliberal activities have always converged on the same thing in practice: **crony capitalism**, where government is used to engineer advantages for various industries, and to keep the economic gravy train moving smoothly for wealthy shareholders and special interests. Therefore, so as not to get bogged down in the subtle differences between its various *tactical* approaches, it is helpful to focus on those overarching crony capitalist *strategic objectives*. **When we examine the *observable outcomes* of any particular policy, candidate, political platform, etc., then we can more clearly identify its neoliberal origins.**

In the following paragraphs we will cover:

- ***Primary Objectives of Neoliberalism: Crony Capitalism***
- ***Who are the Champions of Neoliberal Crony Capitalism?***
- ***Common Neoliberal Propaganda Tactics***
- ***Examples of Success of Neoliberal Agenda***
- ***How Ronald Reagan Revoking the "Fairness Doctrine" Aided both the Neoliberal Cause and Vladimir Putin***
- ***How "Libertarianism" was Co-Opted by Neoliberals in U.S.A.***

### ***Neoliberalism's primary objectives include the following:***

1. Weakening of governments and legal systems to allow businesses to exploit labor and resources without regulatory controls or other constraints of law, with the aim of decreasing production costs, reducing legal liabilities and potential tort exposure, and facilitating unfettered capital mobility (across national borders, etc.). This ensures access to cheap, pliable labor, the carefree destruction and depletion of natural resources, and freedom from consequences for heinous disregard for human welfare and the natural world.
2. The dismantling and privatization of all social safety nets and socialized infrastructure — while at the same time disenfranchising poor and minority voters — so that the poor and marginalized become dependent on low-wage jobs and cannot afford the educational, investment or entrepreneurial opportunities to change their social position...or often even the basic necessities for survival. This allows the "owner-shareholder" class (traditionally older white men) to maintain their position of privilege in society, remove more and more services and civic infrastructure out of democratic control, and again exploit an endless pool of cheap, pliable labor while exhausting or destroying resources of the natural world.
3. Controlling capital flows by any means possible, including monopolization (transnational megaconglomerates) and interlocking directorates among the highest-revenue sectors of the global economy, increasing direct influence over international banking, expanding regulatory capture within national governments, increased

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militarism and war profiteering, and privatization and debt-enslavement of developing economies at a national level (IMF, World Bank, Eurogroup).

4. The disguising of items #1-3 as "improving market and production efficiencies," "lifting the world out of poverty," "letting markets solve complex problems," or promoting "individual choice, individual liberty, and individual responsibility," when in reality the strategic neoliberal agenda only promotes such liberty and wealth for the plutocrats themselves, with efficiency improvements and market solutions benefitting the industries and capital they control...while creating ever greater social, political and economic inequities for the rest of society.

5. Endless propagandizing and spin around item #4 (*a la* Fox News, The National Review, Sinclair Broadcast Group, One America News Network, conservative talk shows, Breitbart, InfoWars, FrontPage, conservative think tanks, [astroturfing](#), etc.) in the language of market fundamentalism, paired with dark money manipulation of the U.S. election process, as well as influencing State and Federal legislative agendas and judicial appointments. This propaganda often aims to manipulate the worker-consumer class to vote against its own expressed values and interests — and leads to ideologically compliant legislators and judges likewise passing and enforcing facilitative laws — so that neoliberal plutocrats can take democratic power, rights and privileges away from everyone else with increasing ease.

6. Expanding the reach, capacities and "lawful" responsibilities of the national military, court system and local law enforcement to a) wage perpetual "war" on anyone perceived as a threat to neoliberal domestic and international objectives; b) villainize, suppress, coerce or incarcerate anyone who intends to disrupt aspects of the status quo that are beneficial to the neoliberal agenda; c) create perpetual distractions and scapegoats for the media to feed upon, so that "the man behind the curtain" (i.e. the neoliberal themselves) remains unnoticed or appears disconnected from the social and structural problems that neoliberalism creates.

**And what is the overarching theme of these objectives? I think the last fifty years has proven it to be clear:**

*To funnel as much capital as possible — and as much control over capital as possible — into the hands of those who already have the greatest abundance of capital, and to use governmental institutions and policies to do it.*

It is, essentially, the self-protective ideology of plutocrats who yearn for a return to a more absolute oligarchy,

**and this is what crony capitalism really represents.** In pursuit of this agenda, billions of people will understandably suffer in worsening poverty, while others will continue to be hoodwinked into sacrificing their own welfare and well-being to support "free trade." This article helps outline how these objectives have been implemented through the IMF/World Bank: [Structural Adjustment — A Major Cause of Poverty](#). And this documentary describes how wealthy neoliberal groups and individuals coopted Tea Party populism to advance their agenda: [Billionaire's Tea Party](#). Also consider perusing this Quora discussion regarding additional neoliberal strategies and influence: [Do the "virtual parliaments" as Noam Chomsky describes them actually exist?](#)

***Who are the champions of neoliberal crony capitalism?***

When we see proposals, advocacy, media, research or statistics sourced from any of the following organizations, we often find they are being used to support of neoliberal agenda:

- Atlantic Bridge
- Heritage Foundation
- Cato Institute
- American Enterprise Institute
- Business Roundtable
- Analysis Research Corporation
- American Legislative Exchange Council (ALEC)
- State Policy Network (SPN - formerly *Madison Group*)
- Heartland Institute
- George C. Marshall Institute
- Pacific Research Institute for Public Policy
- Competitive Enterprise Institute
- Judicial Watch
- Federalist Society
- Claremont Institute
- Americans for Prosperity
- Institute for Justice
- Manhattan Institute for Policy Research
- Americans for Tax Reform
- Commonwealth Foundation for Public Policy Alternatives
- Center for Individual Rights
- Pacific Legal Foundation
- Wisconsin Policy Research Institute (WPRI)
- National Association of Scholars
- Hudson Institute
- Mises Institute
- Bradley Foundation

Of critical importance is understanding just how much money is involved in promoting the neoliberal agenda. Although there are also progressive-leaning special interest groups, think tanks, lobbyists, etc., they are much more diffused and tend to promote more specialized interests. In contrast, nearly all of the organizations above are marching to the exact same drum. So much so that, on any given issue, neoliberal advocates outspend progressives anywhere from 10:1 to 100:1. Although much attention is given to key neoliberal players like the **Koch brothers** and the **Mercer family**, the reality is that the funds brought to bear are a carefully coordinated aggregate of hundreds of conservative millionaires, billionaires and large corporations (see the graphic illustration on the [Science Skepticism](#) page for an example of this process).

As for the thought leaders, advocates and political champions most frequently referenced by neoliberals, that is also a fairly vast array, and with many subtle differences. However, we can include the following in the mix of influential thinkers and advocates (some of whom are also discussed in further detail later in this page):

- Carl Menger, Ludwig von Mises, Murray Rothbard, Friedrich Hayek and the [Austrian School](#)
- [James M. Buchanan](#) and the [Virginia School](#)
- Milton Friedman, Eugene Fama, Robert Fogel, George Stigler and the [Chicago School](#)
- Milton Friedman and Arnold Harberger's students, "The Chicago Boys"
- Ayn Rand
- Robert Nozick
- **Highly selective excerpts** of Adam Smith, John Locke, David Hume, Bernard Mandeville, Robert Malthus, David Ricardo, and other contributors to classical liberalism. (For example, there is rarely any mention of Smith's concerns about the corrosive power of [monopolies](#), or his warnings to rein in "the vile maxim of the masters of mankind: *all for ourselves and nothing for other people.*")
- Lewis Powell
- Joseph Coors, Edwin Meese III and Thomas Roe
- Margaret Thatcher, Ronald Reagan and Alan Greenspan
- Charles and David Koch
- Robert Mercer
- Newt Gingrich, John Sununu, Jeane Kirkpatrick, Irving Kristol, Richard Perle, Antonin Scalia, Danielle Pletka
- Bill Clinton (nominally a neoliberal in socially liberal clothing)
- Karl Rove
- Paul Wolfowitz, Dick Cheney and Donald Rumsfeld
- Ron Paul and Paul Ryan (as examples of neoliberals in right-libertarian clothing — see further discussion below)
- Greg Mankiw (example of a neoliberal evangelist in academia)
- Steve Bannon and Donald Trump (offering new variations of neoliberal themes — concealing the neoliberal agenda beneath a manipulative veneer of populism, economic nationalism and conspiracy theories, while appointing members of the Heritage Foundation, etc. to key positions in their administration.)

### ***Common neoliberal propaganda tactics***

Neoliberal propaganda tends to combine potent tribalistic, class conscious, sociological and economic components, including:

- Arguing that "safeguarding and expanding individual freedom" is somehow equivalent to unregulated markets and business activities, eliminating all social safety nets, ever-enlarging private property rights,

and aggressively rolling back taxes - while in fact the *only* beneficiaries of such laissez-faire political activism are the wealthiest corporate owner-shareholders.

- Propagating fictional narratives that *invert* the traditional views of exploitation and victimization, then funding highly biased “research” by neoliberal think tanks which seems to support the narrative. Examples of such inversions include white people in the U.S. being victimized by “institutionalized reverse racism” due to civil rights laws; or that the wealthy are being exploited by poor people who feel “entitled” to wealthy people’s money via social welfare programs; or that Christians are being persecuted and oppressed by a secular State; or that corporations are “people” with human rights, and that corporate money equals protected free speech; or that democracy is a form of “mob rule” that oppresses the elite minority; and so on.
- Coopting traditional socially conservative themes to serve neoliberal aims — themes such as anti-abortion, fear-mongering around racial stereotypes, demonization of “liberals” and progressive civic institutions, pro-Judeo-Christian rhetoric, anti-immigrant and racial prejudice, and resistance to change.
- Populist, nationalistic sentiments that amplify the “Us vs. Them” polemics of fear — insisting that 2nd Amendment rights, Constitutional originalism, State’s rights, pro-military loyalism, religious freedoms, economic freedom and so forth are aggressively opposed by progressive ideals and champions, which conspire to *take it all away* from hard-working white folks.
- Diversion of blame for economic hardship and cultural frustration for its most supportive constituencies *away from the real causes* (that is, away from neoliberal/market fundamentalist economic policies) to convenient red herring distractions like climate change denial, abuses and inefficiencies of social safety nets, anti-intellectualism, [skepticism of science](#), the failures of government bureaucracy, national security and terrorism fears, Islamophobia, xenophobia, patriotic pride and duty, breakdown of the nuclear family, atheism..and many other boogeymen.
- Advocating potent neoliberal concepts as “always true or always successful,” **when in fact they are either substantially false, or routinely fail**. These include Supply Side economics; market fundamentalism; austerity measures; capitalist systems being “morally neutral;” capitalism being the natural state of human beings (and private property being a “natural right”); regulations and taxes always being counterproductive; wealth production always being more important than negative externalities; “greed is good;” government always being wasteful and inefficient; the best innovation always being provided via market competition; etc.
- Perpetuation of an enthralling, distracting and infantilizing [spectacle](#) to help grease the wheels of a neoliberal agenda.
- Systematically attacking and defunding any civic institutions or public programs that reinforce positive feelings about government, or which effectively help citizens regardless of their means or influence. Thus the US Postal Service, Medicare, Head Start, Obamacare, Consumer Financial Protection Bureau, FHA Loan programs, Food & Drug Administration, Center for Disease Control, Financial Aid for Students, FEMA, National Parks...and a long list of other beneficial services must be enfeebled, bad-mouthed and disrupted as quickly as possible *to prevent them generating any warm fuzzy feelings toward government among the populace*.
- Aggressive demonization of every individual or collective form of power, influence or agency that disrupts or delays the neoliberal agenda — *and especially anything smacking of “progressive” or left-leaning ideology*. This includes all forms of direct democracy; all forms of representative government; the

institutions and lawful mechanisms of civil society itself that protect civil rights, human rights, consumer protections, and worker protections; any scientific evidence that interferes with profit; a free press; accurate and truthful information in the public discourse and news media; accurate and truthful information in the education system; and any individuals or institutions that promote *critical thinking and evidence-based decision-making*.

- Interestingly, within the past few years, neoliberal pundits have increasingly also been trying to negate the term “neoliberal” itself — claiming it to be overly broad, or somehow contradictory, or otherwise unsuited to defining the specific flavor of market fundamentalist crony capitalism that neoliberals tend to promote. This attack on the language of neoliberalism’s critics is, I think, just one more way to discredit or undermine what have clearly been valid critiques.

Philosophically, I consider neoliberal ideology to be the natural intersection of *commercialist-imperialist corporatism* and *individualistic economic materialism*, and the proud grandchild of feudalism and mercantilism, as all of these propaganda points seem to flow out of those antiquated ideological positions. What makes the neoliberal movement even more alarming is that it shares many of the same objectives — and employs many of the same techniques — promoted by fascists, nationalists, dictators and despots. We can even observe that current [information warfare](#) seems to coordinate the agendas of neoliberal propaganda and authoritarian disinformation campaigns.

***Examples of the success of the neoliberal agenda in the U.S.A. under the G.W. Bush administration are listed below. It should be noted that very similar tactics and policies were employed under Ronald Reagan, and are being repeated again under Donald Trump.***

1. Disabling the EPA’s enforcement of environmental law for eight years (via direct executive order and more indirect hogtying of administrative processes) allowed runaway corporate pollution and untold environmental damage from business activities.
2. Weakening of NIOSH oversight across all industries resulted in a runaway increase of risk to worker health and safety - and consequent death, illness and disability of countless workers as regulations went unenforced.
3. Opening up of BLM lands to unchecked exploitation by industry resulted in horrific destruction and misuse of these public resources, with very little benefit to U.S. taxpayers (who collectively own those resources).
4. Initiating a war on false pretenses resulting in the deaths of hundreds of thousands of people — including thousands of U.S. military personnel; war profiteering of U.S. companies at the expense of U.S. taxpayers; creation of ISIS (under very similar circumstances through which Al-Qaeda was formed); destabilization of Middle East and radicalization of its populations; strengthening of the position and influence of enemy states (Iran); undermining of U.S. standing among allied governments and populace.
5. Increased financialization of U.S. economy (and encouragement of speculative risks using public funds) while

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loosening the regulatory reigns (SEC oversight, etc.), resulting in the most precipitous economic crash since 1929.

6. Orchestrating propaganda that encouraged some 50% of the U.S. electorate to vote against its own interests (i.e. cutting of federal spending in their geographic regions, increased income inequality, increased poverty, decreased economic mobility, decreased jobs, stagnant wages, decreased buying power, etc.).

7. As a classic consequence of crony capitalism, the largest jump in government spending (to 33% of GDP, with most of the increase benefitting big business and wealthy shareholders) since WWII.

8. The radical erosion of the provisions of the U.S. Constitution's 4th Amendment and establishment of invasive, coercive, unjust, punitive and ideologically extreme expansions of a Police State.

9. The dismantling and distortion of U.S. democratic institutions, civilian protections and environmental protections through a targeted appointment of activist neoliberal judiciary that baldly favors corporate enrichment at the expense of everyone and everything else (Citizens United is just the tip of the iceberg).

10. The subsidizing of below-subsistence wage workers (Walmart) with taxpayer-funded welfare programs, once again enriching corporations at the expense of everyone else.

11. A general weakening of all capacities of government to serve its citizens, apparently with the deliberate aim of undermining the confidence those citizens have in their government and increase their willingness to vote for candidates who promise lower taxes and alternative "free market" solutions that enrich owner-shareholders.

To fully appreciate just how bad things can get under neoliberal ideology, consider reading about Milton Friedman's influence on other governments around the globe (a readable discussion of this is Naomi Klein's *The Shock Doctrine*) and the "structural adjustment" policies of the IMF and World Bank in developing countries — also informed by "The Chicago Boys." For more on all the fun stuff that happened under G.W.Bush, focus on pro-corporate SCOTUS rulings, expansion of A.L.E.C. legislative influence, the revolving door of government, regulatory capture, clientism, campaign finance corruption and the explosion of SuperPACs and dark money, corporate welfare, war profiteering, Red State government spending, origins of ISIS, coal mining safety violations, timber industry expansions into BLM, coopting of Tea Party by Koch brothers, impact of Patriot Act and Homeland Security on U.S. civil liberties, environmental destruction and exploitation, wealth disparity, FEMA failures (due to incompetent appointments), the USPS retirement prefunding fiasco of 2006, etc. It's really rather incredible how much damage was done, and why *voting carefully* in presidential and congressional elections is much more important than naysayers from all corners of the political spectrum would have us believe.

***How Ronald Reagan Revoking the "Fairness Doctrine" Aided both the Neoliberal Cause and Vladimir Putin***

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Reagan's rescision of the Fairness Doctrine had huge and enduring consequences regarding news media and information delivery in the U.S....and the action was not "inevitable" as some have suggested.

Consider the Fairness Doctrine terms "honest, equitable and balanced," and then consider how the Fairness Doctrine applied those to "controversial matters" that were *in the public's interest to report*. This is the heart of the Fairness Doctrine: **to inform U.S. citizens in a balanced way regarding diverse perspectives around critical issues**. The spirit of the Fairness Doctrine was to prevent biased or misleading journalism and media coverage, and to represent as many different perspectives on a given issue as possible — and especially opposing viewpoints — as fairly as possible. **In essence, this was an effort to discourage propaganda in U.S. media that served private agendas**. Propaganda is often, after all, simply reporting one side of a given issue.

You'll notice that other answers so far completely leave this critical point out.

Now, why did the FCC revoke the Fairness Doctrine? The Reagan administration framed the revocation under "concerns about free speech;" in other words, that the FCC's continued enforcement could *potentially* interfere with some forms of free speech in media (there was no evidence that this was the case, only that this *could* be a concern). Even if such concerns had been validated, this simply would have required additional legislation to refine the Fairness Doctrine from Congress — but such worries are completely and utterly contradicted by the subsequent explosion of alternative media platforms (cable TV, Internet streaming, etc.). Do you see the problem with some of the other answers now...? If the main concern about the Fairness Doctrine (from conservatives at the time) was really impingement of free speech, how could "the Fairness Doctrine being outdated" due to a plethora of alternative media platforms *also* be a central consideration...? This is a duplicitous ruse. We know this because there is ALSO the issue of the **1986 SCOTUS ruling that affirmed the FCC's ability to enforce the Fairness Doctrine on teletext technology...opening the door for its application to other media platforms as well**. We can even speculate that this expansion of FCC authority over newly emerging media stoked efforts by conservatives to eliminate the Fairness Doctrine completely.

Now, it is important to appreciate that Congress DID update the Fairness Doctrine, at the time of its revocation, to address some of these issues...**but Reagan vetoed that legislation anyway**. So, in reality, conservatives just didn't like the way the Fairness Doctrine was being applied by the FCC, or how Fairness Doctrine cases had played out in the courts, or how it was already being applied to future information technologies. THAT is the real reason conservatives wanted it gone. Why? Well, not only did the Fairness Doctrine dampen neoliberal propaganda efforts, it also did not allow conservatives to restrict progressive opinions being broadcast on publicly funded media (like NPR/PBS) when conservatives controlled the FCC (this was decided in the 1984 SCOTUS ruling *FCC v. League of Women Voters of California*.) **In other words: the Fairness Doctrine was useless to conservatives who wanted to promote their own agenda while suppressing progressive ideologies...and they just could not stand for that.**

And what has happened since? Propaganda has taken over conservative for-profit media, and conservatives have both doggedly sought to defund publicly funded non-profit media, and to disallow the FCC to regulate ANY media with fairness in mind. For example, the latest repeal of Net Neutrality by a conservative-controlled FCC is

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completely consistent with such efforts — why not let corporations decide who gets access to what and when? Neoliberals simply do not want there to be “honest, equitable and balanced” coverage of controversial issues — not even if propaganda is being funded by Russia on Facebook or Twitter! They believe “the market” can and should determine all outcomes — in other words, *whoever has the most money to begin with, or who can most effectively deceive and manipulate people, should determine what information is available to the public.*

So...again, WHY are conservatives so concerned about the consumers and voters having access to good, balanced information? Well, we've seen exactly why over the intervening years since the Fairness Doctrine was revoked:

- **The Oil & Gas industry** doesn't want you to know about the realities of climate change.
- **The Pharmaceutical industry** doesn't want you to know how dangerous and/or ineffective their drugs actually are.
- **The Tobacco industry** doesn't want you to know about the real health risks of tobacco and vaping.
- **The wealthiest owner-shareholders** don't want you to know that trickle-down economics has never, ever worked — and that economic nationalism won't ever bring certain jobs back to the U.S.A. — but that conservative economic policies instead *enrich only those wealthy few.*
- **Evangelical Christians** don't want you to know that Planned Parenthood is a much more effective way to prevent abortions than outlawing abortions has ever been.
- **The Firearms industry** doesn't want you to have statistics about just how lethal their products actually are — or how rarely those weapons in the hands of ordinary citizens actually prevent crime.
- *(And so on with all sorts of other vested interests: agriculture, petrochemicals, insurance, financial institutions, etc.)*

You see the pattern? There is a tremendous amount of money at stake — and the underpinnings of tribal belief systems along with it. **Facts, evidence and statistics almost universally undermine conservative positions...so why would conservatives EVER want news and information media to really be “honest, equitable and balanced?”**

So...what happened? Well, if you do some research on this you'll see that ALL conservative news media is, in fact, not just heavily biased towards supporting untruths, they are also more prone to deliberate counterfactual reporting, sometimes even fabricating stories that support neoliberal agendas and a conservative worldview. *In contrast, left-leaning media can indeed be biased, but doesn't approach the level of deceptive misinformation and outright lies that are perpetrated by right-leaning media.* And so, as with any democracy, the quality of information that a voting population has is going to determine the quality of politicians they elect, and the agendas that are moved forward in government. Which is how we've arrived at a Trump presidency and Republican Party that is so woefully disconnected from reality — to a degree that is clearly harmful to the well-being of citizens in the U.S. and around the globe. **And this is what Reagan's revoking the Fairness Doctrine and blocking its revision by Congress has gifted to the American people and the world.**

Lastly, in addition to helping neoliberal propaganda efforts, ending the Fairness Doctrine has also helped even more nefarious efforts — such as the “active measures” of Russian intelligence — to distort public information

and perception as well. It is more than a little ironic that Ronald Reagan, champion of anti-Soviet rhetoric and disruption of the Soviet Union itself, was single-handedly responsible for the ability of an ex-KGB officer, Vladimir Putin, to directly manipulate the American public today. See the link below for more on that.

Here are some resources I would recommend to more thoroughly understand and navigate these issues:

- [L7 Opposition](#) (covers Russia's "active measures")
- [Media Bias/Fact Check - Search and Learn the Bias of News Media](#) (great resource for checking media bias and accuracy)

### ***How has (Tea Party) Libertarianism become conflated with or gobbled up by anarcho-capitalism and laissez-faire capitalism in the U.S.A.?***

This is a great question and the answer is relatively simple (in hindsight at least). Basically the capture of libertarianism by pro-capitalist fanatics in the U.S.A. resulted from the intersection (and resulting muddled conflation) of several distinct ideological threads that were carefully crafted into a "populist" movement over time:

1. Locke's views on natural rights and property ownership.
2. Jefferson's advocacy of small government.
3. A strong tradition of American individualism (Emerson, Tucker) and economic materialism (Veblen's *conspicuous consumption*).
4. The Austrian School and the reworking of classical liberalism by Mises, Hayek, etc.
5. Milton Friedman and the Chicago School.
6. The objectivism of Ayn Rand.
7. Murray Rothbard's authoritative expansion of non-aggression into property.
8. Robert Nozick's countering of John Rawls.
9. The modern architects and proponents of neoliberalism (see discussion in previous sections).

From Locke we obtain the assertion that humanity's natural state - and corresponding natural law - centers around a self-preservation and non-interference in the affairs of others, and a property ownership and accumulation via labor appropriation. From Jefferson we have the famously mis-attributed "that government is

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best which governs least," which isn't actually Jefferson, but does seem to encapsulate important Jeffersonian sentiments. From Tucker we have a strong infusion of egoistic nihilism and the seeds of mistakenly equating "freedom" with atomistic personal agency. From Mises and Hayek we glean a hatred of egalitarian and collectivist thinking that interferes with market capitalism in any way, a devoted (albeit irrational and non-empirical) promotion of individual choice as the sole driver of all sound economics, and an obsession with systemic efficiencies. From Milton Friedman we garner a lifelong propaganda and lobbying campaign to rid America of all Keynesian government intervention in corporate profiteering, a global advancement of the concept of "economic freedom" that facilitates the same, and perhaps the very birth of a faux "populist" libertarianism that he and his pal Stigler engineered.

From Ayn Rand we get a passionate defense of atomistic individualism, vaulted egotism and rapacious materialism. From Rothbard we have a zealously religious conviction that property is an extension of one's person, and that the non-aggression principle thus applies to all property as an unquestionable article of faith. Nozick then provided an eloquent and extensive libertarian argument for a minimal State, whose main purpose should be to facilitate free exchange between individuals, and an equally eloquent argument regarding why taxation of any kind equates slavery (i.e. is a violation of self-ownership). Others along the way, such as Robert Paul Wolff, amplified radical autonomy and the "rationality" of market solutions. Seizing on this snowballing tangle of individualistic materialism, modern neoliberal architects then created a scripted perpetuation of all-of-the-above in vaunted, self-righteous rhetoric — with folks like Ronald Reagan, Newt Gingrich, John Sununu, Dick Cheney, Don Rumsfeld, Paul Wolfowitz, Paul Ryan, Rand Paul, Steve Bannon and Donald Trump gaining actual positions of power; folks like the Koch brothers and Mercer family funding political influence, campaigns and neoliberal propaganda behind the scenes; and lobbying groups like ALEC and SPN orchestrating pro-corporate agendas across federal and state legislatures.

Mix all of these ingredients together, and the result is a uniquely American "right-libertarianism" or "anarcho-capitalism" that appears to be populist in nature, but is actually consciously engineered and propagated to facilitate ever-increasing consolidation of corporate power. Some have even labeled this thread of American libertarian thought *proprietaryism*, and point out the irony that proprietarians will decry the oppressive coercion of the State, but reflexively ignore the same behaviors in corporations as they rabidly promote market fundamentalism.

To reiterate, all of this "populist libertarianism" is really picking-and-choosing supportive aspects of past ideas, according to a distinctly individualistic and materialistic worldview, to facilitate corporate power within cronyist, clientist State capitalism *even as it decries the "coercive force" of the State*. It is really no different than a particular denomination of some religion selectively excerpting scriptures to support their particular dogma. If we revisit Locke, for example, we see that his "natural law" includes the duty to preserve and protect others, be charitable to those in need, and praise and honor God - but we don't find these particular components in right-libertarian thinking. Jefferson warned against an aristocracy of bankers, merchants and manufacturers gaining too much power - though often misquoted (and thereby often incurring dismissal), this sentiment is as prevalent in Jefferson's writing as it is neglected by right-libertarians. Tucker was vociferously opposed to rent-seeking (which he called "usury") and the Four Monopolies of *money, land, tariffs and patents*. If we examine Milton Friedman's vociferous and successful advocacy of monetarism, together with his equally hypocritical promotion of

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“shock doctrine” corporatism, we see his clear preference for using powerful government institutions and leadership, in concert with private monopolies, to *coercively force* national economies to align with his vaunted ideals - a glaring contradiction to many of his professed beliefs, and also an aspect of Friedman’s legacy that is overlooked in right-libertarian thinking.

Ayn Rand of course completely rejected “anarcho-capitalism” as non-representative of objectivist thinking - also something few right-libertarians appreciate (in fact the Mises Institute has had a real fondness for quoting her). Nozick was ultimately critical of Lockean acquisition, and concluded that the non-aggression principle and unfettered markets logically result in both corporate monopolies and contractual slavery (which he saw as a productive outcome, paralleling the functions of a Welfare State...but, amazingly, somehow to be arrived at voluntarily, without coercion...*despite the fact that freedom is thereby crippled by both odious obligation and extinguished choice!*). And of course the propaganda of modern champions of “smaller government” has been persistently contradicted by their actions - Reagan’s increases in both federal taxation and spending, Cheney’s war profiteering, Paul Ryan’s never-ending campaign to eliminate women’s reproductive rights, the Koch brothers enriching themselves through government manipulation, etc. And although right-libertarians do sense some of these contradictions, rather ironically they just can’t seem to let go of conformist ideological groupthink, and continue to swallow the plutocrats’ “Libertarian” propaganda that really just ends up empowering wealthy corporate shareholders at the expense of workers, consumers, voters, women, those living in poverty, the sick, the elderly, the environment...and most of the Tea Party rank-and-file.

Lastly, I’ll briefly touch on some core issues with right-libertarianism that illustrate a problematic departure from non-American forms of libertarian thought (see [150 Years of Libertarian](#)):

- Apart from everyone living in individual isolation, liberty only exists in the context of civil society. There must be social agreement about the standards of liberty for it to function in routine human relations - let alone in a heavily abstracted exchange economy. This is a simple fact that could be countered by an expectation of advanced moral function (i.e. transcending self-interest), but individualistic materialism (especially as manifested in modern commercialism) has so far encouraged a lowest-common-denominator approach to moral function — *a toddlerization of moral faculties*. In this respect, capitalism is fundamentally at odds with the libertarian frame.
- Right-libertarians most often address this issue by relying on individuals as “rational actors” who create mutually beneficial outcomes by promoting their own best interests in competition with others. Unfortunately, *there is no evidence that this has ever been the case in the real world*, and plentiful evidence (in behavioral economics research, the history of corporate malfeasance, and the latest neuropsychology) to contradict it - which is why the Austrian School is still the laughing stock of mainstream economists, and why Ayn Rand’s “objective” understanding of human behavior has been viewed as muddled, naive and woefully incomplete by decades of philosophers and psychologists.

- Further along these same lines, we cannot differentiate economic equality from equality of liberty (i.e. from individual or collective agency). To do so is intellectually dishonest — because concentrations of wealth *always* result in concentrations of influence and/or formalized political power. There is simply no precedent for real-world situations unfolding differently (whether government is involved or not). Because of this, liberty is *always* negatively impacted by economic inequality, which becomes de facto coercion. This is an inescapable truth, and is perhaps best illustrated both the consequences of natural monopolies throughout history, and by Nozick's theoretical elaboration on the inevitability of "voluntary slavery" in laissez-faire environments.
- The Lockean projection of person into property (via labor or any other activity) is not only arbitrary and capricious, but also isn't a standard evidenced by hunter-gatherer societies as Locke assumed and in fact used to support his hypothesis. In reality, the opposite is true: hunter-gatherer societies have routinely held almost everything in common (when things are treated as property at all).
- In the same vein, the tragedy of the commons is simply a thought experiment gone awry. As Elinor Ostrom carefully documented over years of research, Common Pool Resource Management has been a spontaneous, organic, self-directed alternative to State or private ownership that functions exceedingly well.
- The aristocracy disruptive to democracy that Jefferson foresaw has occurred, not just because corporations were empowered by the State (cronyism/clientism/corporatism), *but because concentrations of wealth inherently create concentrations of power*. All the way back to Aristotle this has been a central concern in any democracy, and the demonstrations of plutocratic corrosion throughout history are indisputable. The most tenable left-libertarian solutions therefore operationalize collectivist, egalitarian approaches facilitated by consensus democracy, the principle of subsidiarity, and the attenuation of private property in favor of the commons. There really isn't another way around this problem — certainly not anything proposed by right-libertarians.



# Level - 7

## Tools For A New Political Economy

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## Disrupt “Business As Usual” & Pro-Capitalist PR Campaigns

(Excerpted from [Escaping the Failures of Capitalism](#))

Perhaps most importantly for an actionable vision of how a post-capitalist society will look and feel, there needs to be a clear path – a series of concise steps with comprehensible metrics – that illustrates how we can overcome any and all resistance to movement away from the status quo. This resistance is of course one of the greatest impedances to change. On the one hand there is the lukewarm inertia of many ordinary folks who do not share a keen sense of urgency or danger regarding the destructiveness of commercialist corporationism, and instead who may feel rather resentful at challenges to their current way of life. And on the other hand there are the well-fortified interests of power and privilege, who are acutely threatened by the prospect of change to a system that has, after all, generated wealth, influence and a sense of security and advantage for that ruling elite. From this latter group, we see concerted and sustained efforts to undermine any alternative approaches to the government, banking system and marketplace that have so facilitated their success, as well as well-funded and sustained marketing and PR campaigns to maintain the lukewarm inertia of a cooperative electorate.

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In order to formulate an effective change mechanism, we must recognize both why the current flavor of feudalistic capitalism has been so successful, and also why it has been so resistant to more positive, systemic evolution. Both of these conditions can be ascribed to the prevalence of five factors among the general public – that is, the worker and consumer base that, often unwittingly or as the result of endless hoodwinking, supports the ruling elite:

1. *Ignorance and gullibility.* That is, having a limited understanding of self, community, government, technology and economics, along with a conditioned receptivity to deception.
2. *Moral immaturity.* That is, an inability to see a bigger picture beyond one's own selfish reflexes and small sphere of self-absorption.
3. *Indifference and callousness.* As an emotional response to negative economic externalities, or as a general disposition towards others, this expresses a profound lack of compassion and empathy.
4. *Habituation and addiction.* Whether from force of habit, or because of a physiological or psychological dependency, this result is an inability or strong unwillingness to attenuate destructive behaviors.
5. *Blind ideological tribalism.* As a consequence of social conditioning, a need for belonging, or an irrational and sometimes inexplicable conformism rooted in fear, this often overrides all other, more evolved instincts.

In our current environment, these five factors are targeted by multi-million-dollar marketing and PR campaigns that deceive, misinform and make false promises in order to amplify the factors, manipulating them in favor of consumerism, cronyism and pro-capitalist religious and political ideologies. In other words, commercialist corporationism obstinately encourages and rewards these factors. This is why young people become habituated to tobacco, alcohol, caffeine and video games; why farmers have come to rely upon pesticides, excessive fertilizer and monoculture; why so many consumers believe that everything from GMOs to Teflon cookware to farm-raised fish are completely safe; why rural landowners invite fracking onto their property; why so many are convinced that climate change is a hoax despite sound science to the contrary; why countless unnecessary medical procedures are performed each year; why millions of people who don't need certain drugs end up demanding them from their doctors; why many companies compulsively and pointlessly upgrade their computers or software on a regular basis; why an endless tide of consumers and workers around the globe become sick or die from unsafe products and manufacturing practices; and so on ad nauseum.

So because of these five factors – ignorance and gullibility, moral immaturity, indifference and callousness, habits and addictions, and blind tribal conformance – human society has rushed headlong into a massively self-destructive phase of existence by consuming things it really doesn't need and, more importantly, things it didn't even know it wanted until extraordinary amounts of money were expended to persuade consumers that profit-serving lies were true. And so any change mechanism must address these factors with the same vigor and scope that commercial enterprise has done...else the gentle, calm voice of reason will simply be drowned out by artfully orchestrated, massively funded bread and circuses the plutocracy keeps in play. This then becomes an even greater uphill effort when we consider that the "business as usual" status quo is so firmly rooted in most people's psyche that any new direction can be perceived as an affront to core values, to the perks of affluence, to nationalistic exceptionalism, or basically to "all that is good." Beyond this, what eagerly shores up such popular sentiments (for its own benefit, of course) are deeply rutted patterns of control by the wealthiest elite over

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governments, political processes, the press, mass media and some of our most influential religious institutions. Through carefully engineered lobbying efforts and campaign financing that favors the wealthy, by weakening the rule of law with activist judges, through favorable legislation and laissez faire politicians, and by stoking a populist frenzy for “small government” and “freedom from regulation” with endless propaganda and religious zeal, the de facto oligarchs have masterfully established a bulwark against any change that might threaten their power.

So what is to be done? At first glance, the answer seems obvious: we must introduce alternative, healing countermeasures for each of these factors, as well as alternatives to the commercialist engines that sustain them, so that society will change of its own accord as it grows and matures. To that end, the following might begin to define such countermeasures:

1. Educating people about economics, technology, the functions of government, and what is actually healthy and helpful for individual and collective well-being and happiness, all-the-while exposing the deceptions and misinformation that are mercilessly disseminated in service of profit.
2. Encouraging moral maturity, compassion and empathy through revised interpersonal standards, better awareness of multidimensional nourishment (see the Notes on Integral Lifework & Civic Responsibility section below for more detail on this), and inspirational modeling.
3. Holding accountable those government officials, businesspeople, and average citizens who persist in indifference and callousness, and doing this through moral education, social expectations and the rule of law, while also eliminating the social and economic incentives for this behavior.
4. Promoting holistic approaches to well-being that undermine addictions and self-destructive habits.
5. Creating new institutions that “compassionately tribalize” all of these more evolved, sophisticated and morally responsible values, and create a safe place to reinforce and propagate the most proven and constructive ideals.

Anyone who has endeavored to promote these or similar countermeasures has invariably faced the entrenched interests of the powers-that-be, along with the draconian defense mechanisms of that class. Even so, there has been progress and immensely positive examples of how alternatives to plutocratic state capitalism could evolve. Again I am reminded of democratic socialism in Europe, the Mondragon experiment, direct democracy in Switzerland, Canadian credit unions, etc.

But here’s the real problem: despite these advanced examples, the engines of state capitalism continue to accelerate and dominate all around the globe, subjugating every attempt at escape. There is no exit from the prevailing influence of commercialist corporationism currently in sight. And as an echo of Debord’s “society of the spectacle” or Herman and Chomsky’s “manufactured consent,” there is both astonishing complicity in mass media and debilitating complacency among the general public to remain placated, coddled and entitled by the status quo; there is every reason to remain on the sidelines and be entertained, and very little will to turn away from the calming, infantilizing teat.

So again, what can we do...?

At this juncture, it seems that a five-pronged approach will likely be necessary to promote and actualize the

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countermeasures above, with each prong entailing its own unique flavor of collective activism. These prongs include:

### **Disrupting Misinformation and Pro-Capitalist PR Campaigns**

There are many ways to do this, some more aggressive and confrontational than others. I remember years ago, when I lived in Germany, each TV advertisement was followed by silly stick-figure cartoons that made fun of the ad. After watching those cartoons, it was impossible to take the commercialistic rhetoric in the TV ads seriously, and a question mark was introduced to even the least attentive viewer about both the veracity of product and service claims, and the persuasiveness of the ads themselves. This sort of gentle cajoling that pokes holes in the effectiveness of advertising lies at one end of the disruption spectrum. Somewhere in the middle of the spectrum we have documentaries like *The Billionaires' Tea Party*, *The Corporation*, *Food, Inc.* and so on that strip the veneer off of the pro-capitalist PR to reveal its demeaning calculations. There are also activist street artists who undermine or subvert commercial messages in the public's eye (via "graffiti," public art installations, amended billboard advertisements, etc.), promoting alternative viewpoints that similarly bring corporate messaging into question. In a slightly more aggressive vein, there are the whistleblowers like Ronald Goldstein, Jeffrey Wigand, Nancy Olivieri, Stefan Kruszewski, Cynthia Cooper and Sherron Watkins, Courtland Kelley, David Graham, Bunny Greenhouse, Richard Bowen, John Kopchinski, Samy Kamkar and countless others who have brought corporate malfeasance to light, in many cases changing the course of commercialist corporationism itself in certain industries through high profile lawsuits, new regulatory legislations or large monetary settlements and punitive fines.

Beyond these selective, narrowly targeted efforts, there have been more sweeping attempts to curtail plutocracy through the rule of law. Among these are things like campaign finance reform, regulatory legislation and enforcement, the creation of consumer protection agencies like the CFPB, appointment of pro-consumer or pro-labor judges (as opposed to pro-corporate ones), and so on. Unfortunately, the effectiveness of these efforts depends almost entirely on who has the most political influence in a given moment, and advances are easily undone. In the course of the last forty years, some of the most successful and longstanding components of the federal regulatory bulwark in the U.S. were either obliterated or left unenforced – a feat accomplished by both political parties. Consider what by any objective measure have been the disastrous consequences of banking, agricultural, communications and transportation deregulation during that time: rampant monopolization and decreased competition in every one of these industries; the S&L and subprime mortgage crises; deterioration of transportation quality, availability and infrastructure, where a previous abundance of options that had never been profitable, but were nonetheless greatly needed, have completely vanished; plummeting worker wages and evaporation of living wage jobs; a precipitous decline in the U.S. agricultural trade balance; the extinction of family farms; an ever-increasing digital divide; the rapid decline of independent, well-funded news sources; increasing costs to the poorest consumers for the most basic of commodities; and of course the destruction of many previously successful companies that delivered higher quality goods and services. Combining deregulation with a series of SCOTUS appointments that similarly empowered corporations over people, along with an astounding dearth of Congressional productivity, and plutocrats have effectively given themselves free reign over the American economy and electorate. Add to this the correlating state-level cascade of carefully orchestrated legislative gridlock, anti-labor sentiments, pro-corporate judiciary and deregulation in much of the U.S., and it is easy to see why this momentum has exacerbated wealth inequality, exploitation of American workers and consumers, depletion or destruction of countless natural resources, and enrichment of the One Percent.

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Keeping this in mind, what then remains at the more extreme end of this particular spectrum of activism? Should hacktivists be encouraged to alter corporate messaging on websites and multimedia, thereby revealing repulsive truths about a particular company's products, services or labor practices? Should the broadcast of deceptive and manipulative pro-capitalist propaganda (as, for example, many of programs offered by FOX News) be interrupted or sabotaged in some technical way? Because influence and even "information" has become so asymmetrical, perhaps an asymmetrical response is warranted. I have long promoted the idea of a publically funded information clearinghouse, where users could query the profiles of various politicians, judges, public officials, companies, or even foreign governments regarding their performance history according to user-specified political ideologies, values hierarchies, economic strategies, labor relations ideals, consumer protections, etc. In this way, voters and consumers could easily and quickly identify individuals, businesses and resources that demonstrate a proven resonance with their own beliefs. But one carefully coordinated media blitz by Rupert Murdoch or his ilk could quickly paint such a clearinghouse as untrustworthy, the tool of a fringe political agenda, or an outright threat to "the American way of life," so that its role is discredited, defunded and squashed before it even comes into being. Sure, adequate information for rational decision-making is already available on the Internet for those with patience and persistence...but the corporate elite are ruthless in their efforts to steer the unsuspecting toward their version of the truth; even as communications monopolization reaches an historical peak, net neutrality itself has been under threat, leaving little doubt that the battle for information control is just beginning.

### **Destabilizing "Business as Usual"**

In 2013 David Holmgren wrote a provocative paper entitled "Crash On Demand: Welcome to the Brown Tech Future." In it he suggests that if only 10% of the world's middle class reduced its consumption by 50% (and shifted 50% of their assets into community/household investments), this could result in an unrecoverable crash of current financial systems, opening the way to more responsible and sustainable scenarios. His overarching reasoning goes like this: "It seems obvious to me that it is easier to convince a minority that they will be better off by disengaging from the system than any efforts to build mass movements demanding impossible outcomes or convincing elites to turn off the system that is currently keeping them in power." Now plenty of folks have tried to poke holes in Holmgren's arguments, including some in the Permaculture community that he helped foster, but I think that they are missing the central concern of his proposal, which is that we cannot wait any longer for incremental changes to occur. It is profoundly significant, I think, that someone who has been so committed to gradual, bottom-up change for so long is now willing to promote a more radical and rapid undermining of the status quo.

For however we achieve it, the complete destabilization of "business as usual" must become part of the discussion, as it is likely an inevitable stepping stone for any meaningful change. We must make way for radical and rapid transformation, even if our methods eliminate creature comforts for a majority of consumers – and perhaps the middle class in particular, since their consumption is so much greater than anyone else's. In fact, we could say that this disruption of creature comforts is in itself a worthwhile goal, since it could be argued that such comforts are really part of the "bread and circuses" that have inoculated the masses against both dissatisfaction with the current system and any awareness of its most harmful externalities. Promoting the same spirit as successful boycotts from the past, Holmgren proposes that a shift in consumption and investment habits from 10% of the global middle class could create the desired disruption, but of course this is only one proposed means to an end. It may in fact be possible for an even smaller number of folks to have an even greater impact. What if every commercial shipping company found it impossible to deliver goods to major ports around the

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globe for six months? What if all Internet based e-commerce was disabled for a similar amount of time? What if a series of banking system failures at regular intervals coincided with an abundance of community-based banking and investment opportunities, so that a panicked withdrawal of personal assets from those banks could be locally rechanneled? What if energy delivery from commercial utilities became so unreliable that households and communities would be selfishly compelled to switch to locally produced solar and wind? In other words, I agree with Holmgren that only a minority needs convincing...the question for me simply becomes what minority can do the most, in which contexts, by what means.

Now there is a major ethical dilemma embedded here, and that is which of these means are the most skillful, just, and indeed will bear the most constructive fruit over the long run? Personally I am wary of any methods that do not conform to the character of their proposed outcome. For example, a violent revolution intended to achieve peace, or deceitful propaganda intended to bring about more open and transparent civic institutions, or oppression of one group of people in order to liberate another, or a temporary inequality that aims for ultimate equality. Not aligning the integrity of our current efforts with the intentionality of proposed solutions is a recipe for failure, in my view. Yet clearly everyone must decide these things according to their own conscience, and, just as clearly, actions need to be taken swiftly, without the paralysis and disempowerment of avoiding self-contradiction at all costs – especially since the costs here may include the survival of our species, along with a wealth of life on our planet. For further discussion, I offer some avenues to this kind of decision-making in the essay “Managing Complexity with Constructive Integralism.” Ultimately, however, the message must become clear that the accumulation of wealth – and in particular accumulations that result the manipulation of government and consumers, the exploitation of workers, and the destruction of natural resources – will no longer be rewarded...and, in fact, will no longer be tolerated.



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## Implementing Direct Democracy and Democratic Reforms at All Levels of Government

In conjunction with the proposed [Information Clearinghouse](#), there is no reason to delay implementing direct democracy in several different ways. The technology and proof-of-concept exist - all that is required is the will, and likely Constitutional Amendments regarding the following proposals that empower The People to govern themselves. The [Swiss model](#) of semi-direct democracy, which operates in parallel with representative democracy, has some proven mechanisms and characteristics that can inform a U.S. version, and should be consulted in detail - all the way down to the municipal level. In such a context, the existing mechanisms and traditions of representative democracy could run in parallel with new, direct democracy provisions; elected representatives all the way up to POTUS would, however, have much less power. In addition, I would propose the following elements to enhance such a system:

- **Two-Stage Voting** — A preliminary vote and a final vote, separated by as much as six months, for all major direct voting (public office elections, recalls, initiatives, referenda, censures, etc.). This is to allow a cool-down period over

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controversial initiatives or legislation; additional time to research and fact-check legislation, initiatives and candidates; and allows for a reversal of certain decisions that may have been too hastily considered (i.e. “cold feet” reversals). In between each stage of the vote, [Citizens Councils](#) at the appropriate level will review and make their recommendations on the issues as well.

- **Daily Direct Democracy** — Internet voting on a daily basis - from a secure app on a smartphone, public library terminals, or a home computing device — on all legislation, executive actions and policy changes at all levels of government, for all branches of government, and for all governmental organizations, as well as to express public preferences for in-process legislation and government agency decisions. In some cases this would operate similarly to a “public comment” period, in some cases an advise and consent mechanism, and in the most impactful decision-making as a binding authorization. These differences would be the result of both public preference (i.e. established public priorities), and a result of the number of votes on a given issue - the higher the vote count, the more binding the vote becomes. In all such instances, a 90 day lead time should be provided for any proposals before the preliminary vote. And of course voting for local issues would be restricted to algorithmically defined districts within each region.
- **Public Priority Database** — As a participatory mechanism, anyone can propose a topic for public consideration, and the topics that are either a) voted into priority, or b) aggregated into an overarching topic whose sub-topics have been voted into priority will be formalized into policy initiatives, research initiatives, executive actions and/or legislation which will also be voted upon in their final form.
- **Unique Digital Identifier** — A strongly encrypted identifier assigned to all citizens of voting age, which is used to access voting sites, the Public Priority Database, the social credits system and other governmental and communal systems. It is likely also essential that two-stage verification and biometric verification also be implemented, along with secure systems for both rapid re-issue and immediate retirement upon death. This UDI (in physical, non-replicable form) will also be used to access different levels of Infrastructure and Essential Services.
- **Algorithmic Redistricting** — Using one consistent, objective, transparent algorithm across all regions of the U.S. to apportion districts to voters. As one example, see Warren D. Smith’s [Splitline method](#).
- **Technocratic/Administrative Corps** — In some cases elected directly by the public, in some cases appointed by citizen’s councils, in some cases selected by a civic lottery restricted to a pool of individuals with specialized skill sets and experience, there will need to be career technocrats and administrators in government positions who run government itself and its often highly technical or specialized programs.
- **Accountability for Elected and Appointed Officials** — Whether via direct referenda, temporary censure, and regular feedback and approval ratings, or as guided by citizen’s councils and assemblies — or other governmental checks-and-balances — all elected or appointed officials will be subject to immediate and actionable evaluations from the electorate. As always, the Fourth Estate will have a critical role in this accountability.
- **Campaign Reform** — Public funding of all campaigns (elected officials, initiatives, referenda, etc.) via equal gifted media time, strict source-branding and [PIC](#) fact-checking disclosures of all media and propaganda created by third-party special interests *that is embedded in the media itself* (a simple summation segment at the end of a given multimedia segment, or printed on physically distributed media, should suffice).
- **Citizens Councils & Citizens Assemblies** — Appointed by civic lottery, a series of nested citizens councils — starting at the community level and progressing all the way up to the national level — would help shape strategic policy and assist with tactical management at all levels. In addition, regular citizens assemblies (also selected via civic lottery) would convene at community, regional and national levels to deliberate over recurring planning and policy issues, make recommendations, and — in situations where other democratic mechanisms are not bearing fruit —

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enact legislation as well.

As background, here is what I discussed in [\*Political Economy and the Unitive Principle\*](#):

“As for institutional reforms, why not implement direct democracy at the community level? Using existing technologies, direct democracy could be regularly realized on a vast scale. Imagine a societal expectation that, every day, citizens would vote on any number of decisions with real-world consequences in their community, and do so from the comfort and convenience of their homes; we might call this “daily direct democracy.” This could shape the prioritization of infrastructure funding, or zoning for certain business activities, or the number of regular police patrols in local neighborhoods, and so on. Whatever strategic or tactical concerns could easily incorporate direct democratic decision-making would be reviewed each day, and revised and adjusted as citizens observed the impact of their decisions over time. Regarding decisions where specialized knowledge is needed, votes could be organized, solicited and even weighted based on a combination of self-reported interests, expertise and experience. Imagine further that such expectations are tied to certain social privileges - that participation in governance and planning affords benefits that would otherwise be limited or unavailable.

For community issues that require more advanced, rare or specialized knowledge - and perhaps coordination across multiple tiers of government or longer decision-making cycles - community members selected through automated lotteries could participate regularly as part of citizen commissions and community development teams, each with a clearly defined scope of responsibility, interagency liaising, preparatory training, and expectation of wider public input and reporting. Such teams and commissions could work in conjunction with elected officials and established government agencies for a limited period of time, then relinquish their position to the next group of lottery appointees. As alluded to earlier, some percentage of government agency positions would be selected via lottery as well. All of this is intended to mitigate the dangers of entrenched government bureaucracies, special interest influence, and career politicians who serve their own interests above those of their constituents. Here, however, citizen participation is mandatory and regular, demanding a high baseline level of education and ongoing awareness about community concerns and governance.”

But really, shouldn't the participatory process and its mechanisms be decided by the electorate itself? And shouldn't these remain malleable to consensus adjustments in response to new technologies or conditions? It seems obvious that this be the case. And, as I continue in *Political Economy and the Unitive Principle*:

“All of these ideas highlight an important consideration: in order to participate effectively in their own governance, community members will require extensive knowledge in the principles of community resource management, economic development and consensus building, as well as a more rigorous continuation of that education moving forward. To this end, the lessons of past successes should inform the proposed dynamics between government agencies, citizen commissions, grass-roots organizations and direct democracy. These would include empowered community organizing, awareness and development efforts, worker/consumer-owned cooperatives that have worked well, and effective partnerships between CDCs, CLTs and the communities in which they reside. Replicating the checks and balances of the overall political economy, communities would need to integrate the technocratic proficiencies of elected positions, the efficiencies of central planning and coordination, a will of the people that is both informed and compassionate, and many of the risks and benefits of free markets.

Under the same umbrella, the labor and resources that actualize community decision-making would, to whatever degree possible, be sourced from the community itself. How can self-sufficiency in decision-making be fostered if the cost of those decisions isn't borne by the community? As already mentioned, I like the idea of incentivized public funding and participation, where those who contribute the most in terms time,

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resources or ideas are rewarded with a certain level of benefit from outcomes, such as a certain quality of service, or guaranteed utilization. The valuation of contributions should of course be multidimensional, so than everyone who desires to do so can contribute in some way. But those who refuse to contribute - who consistently demonstrate that they do not value civic participation - should be afforded either fewer benefits, or benefits of lower quality."



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## Civic Engagement at the Community Level

There are six primary components of community level involvement in a Level 7 political economy:

- **[Community Coregroups:](#)** Voluntary, self-selecting support groups for developing community relationships, exploring education around civic responsibility and political economy, and exploring methods of nurturing and well-being that inspire personal and collective growth and transformation.
- **Citizens councils:** At all levels of government and as ongoing components of governance, citizens councils would be created via civic lottery.
- **[Citizens assemblies:](#)** Also at all levels of government, on an as-needed basis via civic lottery, with the power to both propose and enact. For example, to deliberate over major legislative initiatives, or resolve an impasse that citizens councils cannot resolve, or propose constitutional changes, etc.
- **[NGOs:](#)** Grass roots civic organizations, spontaneously created at the community level, which operate

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independently from governmental institutions, but are communally funded. These could be part of the Universal Social Backbone and/or provide additional services.

- **Daily Direct Democracy**: As an additional avenue of engagement, community members can raise and comment on issues important to them, help decide on budgeting priorities for community planning, and hold local business enterprise accountable (in much the same way that the BBB or Yelp does currently, but using a Unique Digital Identifier for each citizen to prevent distortion of data).
- **Community-centric, non-profit public institutions**: For example, Community Land Trusts (CLTs), Community Development Corporations (CDCs), and Community Banks (credit unions).

These function as part of the checks-and-balances process in conjunction with elected or appointed technocratic and administrative positions, as well as cementing community-level relationships that emphasize voluntary, compassion-centric engagement in civil society.

### ***Citizens Councils***

Citizens councils become the secondary deliberation bodies for self-governance after direct democracy — a means of refining the will of the electorate and interfacing with other civic institutions. There have been many examples of similar bodies throughout history, such as [Community Planning Groups](#), and these can offer helpful guidelines on how to define roles, responsibilities and administrative processes. The main difference with Citizens Councils in a Level 7 context is that they would always always appointed by lottery, with strict term limits. However, there is also a hierarchy to the civic lottery pools that reflects the Council hierarchy in terms of larger geographic regions. For example, only those who have served their full term in a community-level Council would be eligible for the metro-municipal level Council inclusive of that community; only those who have served a full term in the metro-municipal Council are eligible for for district-level Council inclusive of that metro-municipality, and so on. These eligibility criteria can then continue up the hierarchy through megalopolis, state, regional and national Councils. It seems inevitable that such Council experience will, over time, create a pool of skilled public administrators who can then run for elected offices as well.

What also differentiates the Council lottery process from existing lotteries — such as those for jury duty — is that the lottery occurs several months prior to active appointment to a given Council. This allows those selected to prepare for their appointment — in terms of education and any necessary reorganizing of their private life around the appointment's duties. As with all other public service positions, Council members can potentially be censured via daily direct democracy of their constituents. At the same time, all such censures (along with any and all successful direct democracy initiatives) are reviewed and approved by both the local and upstream Councils. If a Council approves of the stage one direct vote results, the results of the stage two direct vote will become binding. If the a Council disapproves of the stage one direct vote, then the stage two direct vote becomes provisional, and deliberation advances to *the next geographic level of both Council and direct vote*. The same deliberation process is then repeated until a final binding decision is reached.

## ***Community Land Trusts***

[Community Land Trusts](#) are an example of public institutions that operate at the community level. They would be subject to the “advise and consent” guidance of Citizens Councils and Daily Direct Democracy in addition to a tripartite Board of Directors in order to manage common property and resources at the community level. This is also a great opportunity to implement elements of Ostrom’s CPRM and polycentric governance. The same management and oversight principles can also be applied to other public community institutions, such as CDC and local credit unions. I this group of organizations could be an ideal network to manage [common property shares](#) and issue currency backed by those shares.

## ***Spontaneous, Grass Roots Civic Organizations***

(Excerpted from [The Goldilocks Zone of Integral Liberty](#); see also [Non-Governmental Organizations](#))

A convenient way to categorize this phenomenon is “community organizing,” and plentiful resources are available on the topic. All we are really concerned with here is the civic function such organizing serves in the context of authentic liberty, and some useful participatory models for these grass roots institutions. As Michael Brown describes them in his superbly practical guide, *Building Powerful Community Organizations* (2006, p.1-2):

“Community is one of those things that is hard to define, but you know it when you are in it. It is a feeling that you are not alone, that you are part of something greater than yourself – but yet, even when you are in it, you are still yourself. It does not swallow you up; rather, it builds you up. It is not all for you and you are not all for it. In a community there are people around you whom you like, although you probably do not like them all equally. The people of the community are there for you when you need them and you will be there for them when they need you.

Community organizations come in all shapes, sizes, and varieties. Every community organization holds all the complexities and all the hopes, dreams, and visions of the people who join it. Community organizations may look different but they all have at least two things in common:

- Community organizations strive to develop a sense of community among their members.
- Community organizations organize people to do what they cannot do by themselves....

The exact alchemy that transforms a group of individuals into a community organization is elusive, but it is clear that the process requires intuition, a good sense of timing, a gift for strategy and for relationships, and healthy doses of boldness, leadership, persistence, perseverance, passion, commitment, and courage. One person usually does not have all those qualities; that is why it takes a group. Add to this list: *mistakes*. You will make mistakes along the way, and that is to be expected. You can learn from them.”

At first Brown’s definitions may seem simplistic and even vague, but he is hinting at the very nature of human society – a complex organism of dynamic interdependence that relies on multiple centers of intelligence and multiple avenues of cooperation. He is also speaking to the spirit of experimentation and inherent variability that community organizations represent, as well as *the necessity to learn from doing*. Thankfully he offers plentiful examples of how all of this has played out over his thirty-year involvement, and relentlessly promotes what he

calls the Iron Rule of Organizing: “never do for people what they can do for themselves;” here even leadership itself is about developing other leaders, rather than taking control. Again we can feel the resonance with other collective proposals, with the democratization of all processes, with [Elinor Ostrom’s design principles](#), with the inclusive and egalitarian attitudes and practices, and so on. These ideas – that is, what works in the real world – are all cut from the same cloth. And, in harmony with the unitive principle, regarding recruiting Brown advises (p. 133):

“You want people who care about the issue, but not *only* about the issue. You are looking not simply for people who have a personal self-interest in the issues you are working on, but people whose self-interest is deeply motivated, not narrowly defined. What are their stories? What is their motivation? Beware of people who say that they are *not* at all personally motivated, who are doing it only to help others. They are not likely to last long in your organization. Also beware of people who seem to care *only* for themselves (to get *their* raise, to lower *their* water bill, to get rid of the abandoned cars on *their* street). You *definitely want* people who care deeply about the issue your group is working on. But you also want those who think about others as well as themselves.”

This cross-pollination is so evident that we can clearly integrate the insights Brown, Ostrom and Rothschild, Whitt and the many others who have written about horizontal collectivism to inform all of our participatory mechanisms, while never forgetting the ultimate aim of championing the *subjective felt experience of liberty* for all.

### ***Why Is Community Engagement Important?***

Communities are where ready cohesion is waiting to sally forth. Whereas complex, abstract, global issues may be difficult to harness in terms of building consensus, it is relatively simple to find common ground around pressing community concerns. Local housing and real estate development, local energy production, local roads, local businesses and jobs, local environmental issues, local pollution, local animal concerns, local entertainment, local grocery and retail, local banking, local crime...people already care about what is happening in their community. All that is required is a concentration of focus, a regular dialog, and demonstrated evidence that voluntary engagement will produce desirable results. In addition to the mechanisms outlined above, Level 7 also adds community property shares, daily direct democracy, and [Community Coregroups](#) to the mix to further strengthen civic involvement at the community level.



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## Worker Ownership of Production

(Excerpted from [The Goldilocks Zone of Integral Liberty](#))

See also: [Common Property Shares](#)

### ***Worker-Owned Cooperatives***

Simply stated, this is a successfully demonstrated approach to solving many of the problems in shareholder-centric capitalist enterprise, including the tyranny of private property, the tensions inherent to establishing owner-management and workers as separate classes, and ensuring the safety, well-being and job security of workers, and adequate diffusion of knowledge and training – all of this while still providing opportunities for competition in both non-profit and for-profit environments. Production on nearly every scale can be delivered by networks of worker-owned cooperatives who routinely vote on working conditions, compensation, strategic and tactical directions of the business, internal management structure, customer relationships, integration with local communities and so on. This is basically a “direct democracy for

## Worker Ownership of Production

organizations" structure that can be (and has been) implemented in nearly every business sector, from banking to manufacturing to shipping to farming to garbage collection to healthcare. To fully appreciate the nuts and bolts of implementation, the breadth of some real-world experiments, advantages over bureaucratic organizations, and the rationale behind worker-owned cooperatives, I recommend consulting *The Cooperative Workplace* (1989) by Joyce Rothschild and J. Allen Whitt. Here are excerpts from that work that touch on some of the central themes we inevitably revisit when individual and collective wills intersect – in business or anywhere else:

"An organization, of course, cannot be made up of a collection of autonomous wills, each pursuing its own personal ends. Some decisions must be binding on the group. Decisions become authoritative and binding in collectivist organizations to the extent they arise from a process in which all members have the right to full and equal participation." (p. 51)

"Collectivist organizations generally refuse to legitimate the use of centralized authority or standardized rules to achieve social control. Instead, they rely upon personalistic and moralistic appeals to provide the primary means of control. In addition, the search for a common purpose, a continuing part of the consensus process, is a basis for collective coordination and control." (p. 54)

"Impersonality is a key feature of the bureaucratic model. Personal emotions are to be prevented from distorting rational judgments. Relationships between people are to be role based, segmental, and instrumental. Collectivist organizations, on the other hand, strive toward the ideal of community. Relationships are to be wholistic, affective, and of value in themselves." (p. 55)

"In sum, where the process of criticism is collectively sanctioned, it may serve a constructive function for the organization. By making the leaders or core members publicly and legitimately subject to members' criticisms, such forums tend to reduce the inequalities of influence and to check personal abuses of power." (p. 87)

"Demystification was defined earlier as the process whereby formerly exclusive, obscure, or esoteric bodies of knowledge are simplified, explicated, and made available to the membership at large. In its essence, demystification is the opposite of specialization and professionalization. Where experts and professionals seek licenses to hoard or at least get paid for their knowledge, collectivists would give it away. Central to their purpose is the breakdown of the division of labor and the pretense of expertise." (p. 114)

"Worker solidarity, like commitment, is of significance beyond the gains in worker satisfaction and morale that it may bring. One research team has found in its study of cooperatives in developing countries that high solidarity goes with various measures of economic success, just as low solidarity goes with economic failure (Abell and Mahoney, 1981, p.14). This team posits that cooperatives rely on their solidarity and commitment advantages to achieve their economic performance; if these are lacking, the result is more diseconomies than in a conventional enterprise. As is apparent from the organizational features outlined in Chapter 3, a collective orientation depends on mutual trust. Internal conflict is especially disruptive precisely because of the consensual basis and personal relations that characterize these groups. Thus, compared with conventional firms, higher levels of worker commitment and solidarity are often observed in cooperative enterprises – but by the same token, they are also more necessary." (p. 165)

"In light of the available evidence, we are led to provisionally conclude that worker ownership and democratic management often can be turned into a labor productivity and profitability advantage. But this economic advantage is precarious in cases where mechanisms are not established to give workers more voice in company affairs." (p. 167)

## Worker Ownership of Production

Over the following decades, additional research has confirmed many of Rothschild and Whitt's observations as being highly predictive of enduring worker-owned cooperatives around the world. That research indicates that employee-owned cooperatives often outperform non-employee-owned competitors, tend to demonstrate more resilience over time, and provide greater worker satisfaction and sense of purpose – as long as there is ongoing democratic engagement, sufficient internal education and training, and a culture of self-awareness and constructive mutual evaluation. Competition with other enterprises can of course be stimulative as well. In many ways, the successful characteristics of these cooperatives parallel the design principles of Elinor Ostrom's common pool resource management – and indeed what seems to work in most collectivist approaches.

### ***Migrating from Shareholder Ownership to Worker Ownership***

In order to initially migrate shareholder ownership to worker ownership, it will be necessary to create a path that encourages or incentivizes transition rather than engineering involuntary expropriation. Remembering that monopolies would first need to be broken down into smaller, networked enterprises, and that some of these enterprises will become non-profit, transfer of ownership can become less of a herculean task. For example, such transfers can be initiated through worker-buyouts backed by the common property shares in the workers' community, or elite change agents could be recruited who can gift businesses to their workers. Lastly, all of this would occur in conjunction with a radical downsizing of the stock exchange, focusing it to encourage pilot-scale innovation and outlier approaches that require collective backing, rather than act as a rent-seeking activity. From the perspective of shareholders, there will be a change in asset valuation and value conversion, as fiat currency is first diffused and then replaced, as social credits and the Universal Social Backbone schema intersect with growing portions of economic activity, and a system of holistic valuation begins to gain momentum. So there will be attenuation of individual wealth concentrations, but again this would hopefully and in largest part be voluntary, inspired by widespread acknowledgement of the unitive principle and expressed through direct democracy.

As a final note, I recently came across David Ellerman's [\*The Democratic Worker-Owned Firm\*](#), which provides a detailed model for configuration and management of worker ownership, as well as compelling ways to define components of traditional capitalist enterprise that help support a smooth transition.



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## Regarding the Danger of Monopolies & The Need for Intervention

(Excerpted from [Blurts & Spasms](#) Blog)

Adam Smith believed that a diffusion of wealth and the relative independence of labor were a natural byproduct of commerce. What he saw occurring across Europe was a gradual liberation from feudal forms of economic and class structure where both concentrations of wealth and servile relationships had been fixed. Manufacturing and commerce seemed to have eroded those traditions and established more liberty and economic security for everyone. This resulted in what Smith called "good government," where there was no longer anyone with sufficient means or positional influence to manipulate circumstances exclusively to their own ends (as had been the case in prior centuries), and sufficient authority to adjudicate the disposition of property and any disputes of custom. And Smith is clear about what he believes always occurs when such "good government" is absent, when disproportionate concentrations of wealth and power emerge: "All for ourselves and nothing for other people, seems, in every age of the world, to have been the vile maxim of the masters of mankind." Clearly, from his historical perspective, Smith could never have anticipated the rise of megalithic corporations whose wealth and influence far exceeded anything that has ever existed, and whose owner-shareholders have consequently

## L7 Dangers of Monopolies

pursued the “vile maxim” to an extraordinary degree on vast scales — restoring both the servile relationship of worker-consumers through wage and debt slavery, and the weakening and perversion of governmental authority to suit their own ends.

Smith did, however, recognize the problem of monopolies, and warned against them this way:

“Merchants and master manufacturers are, in this order, the two classes of people who commonly employ the largest capitals, and who by their wealth draw to themselves the greatest share of the public consideration. As during their whole lives they are engaged in plans and projects, they have frequently more acuteness of understanding than the greater part of country gentlemen. As their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about that of the society, their judgment, even when given with the greatest candour (which it has not been upon every occasion) is much more to be depended upon with regard to the former of those two objects than with regard to the latter. Their superiority over the country gentleman is not so much in their knowledge of the public interest, as in their having a better knowledge of their own interest than he has of his. It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the public, from a very simple but honest conviction that their interest, and not his, was the interest of the public. The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public. To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens. The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.”

And of course we have long since arrived at the very place Smith warned about; we have been subject to the “absurd tax” for many generations now. What is Smith’s solution? I think his sentiments about what constitutes “good government” elaborate on that: a government with enough authority and independence to restrict monopoly, encourage competition, and ensure the liberty and security of its citizens without interference from business owners.



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## A New Enterprise Schema – Including a Universal Social Backbone

In order for a new values hierarchy to take shape in a Level 7 political economy, we need to create a different structure of enterprise configurations and interactions. Here are some of the elements I have proposed (from [Escaping the Failures of Capitalism](#), [Political Economy and the Unitive Principle](#), [The Goldilocks Zone of Integral Liberty](#), and [Reframing Profit](#)):

### *Categories and Tiers of Enterprise*

I would advocate for two categories of enterprise, each with multiple tiers. On the one hand, there would be a category of non-profit producers and service providers that compete with each other to provide all the features of the “**Universal Social Backbone.**” Due to necessities of physical-layer standardization (mass transit, for example), some would be larger, with less competition. Others could be smaller, community-level entities networked together (such as credit unions), with more diversity of competing services. This idea was inspired in part by non-profit health insurers in Switzerland who

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compete with each other for healthcare customers.

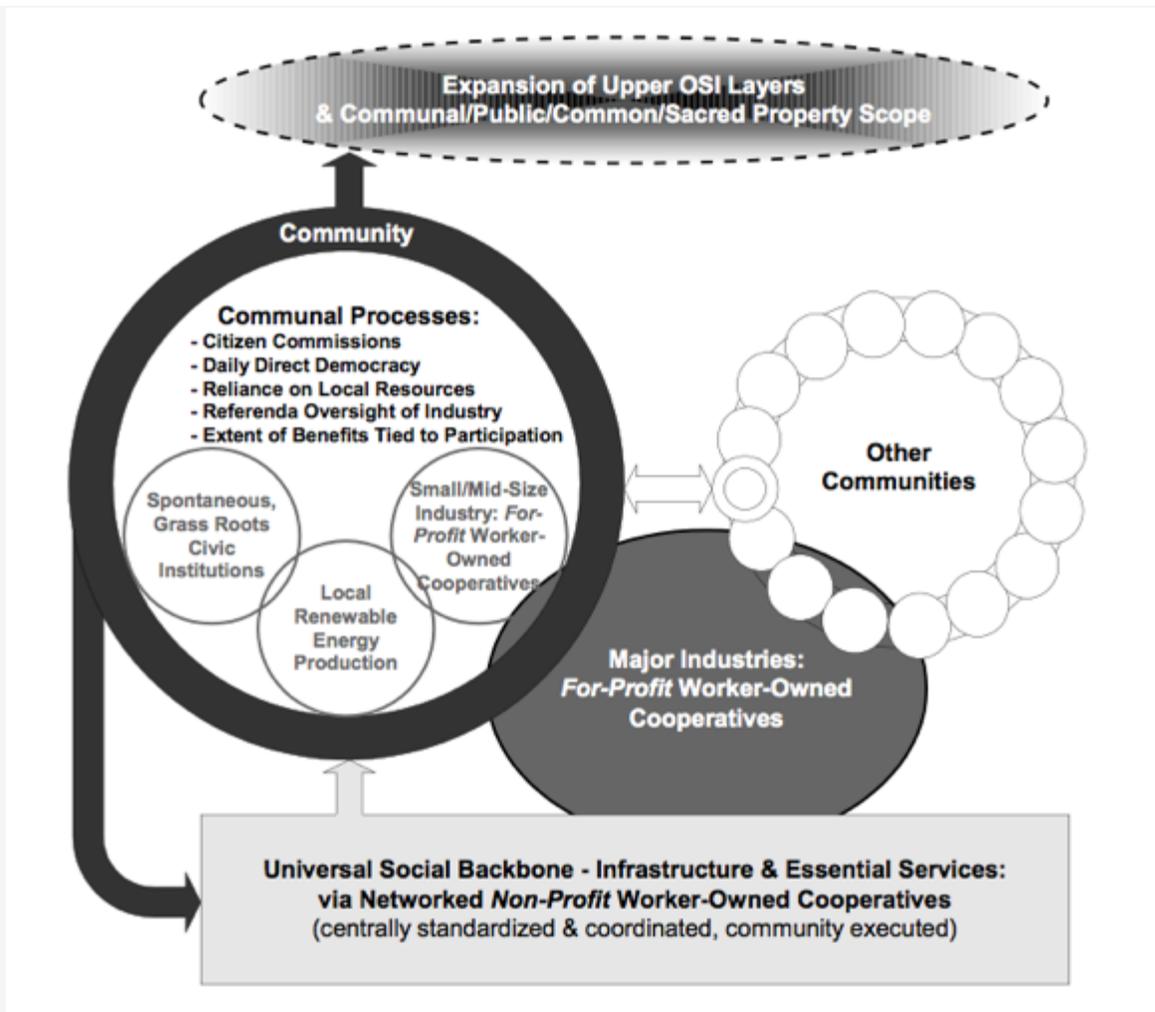
For a second major category, there would be for-profit enterprise participating in a more traditional exchange economy for goods and services above and beyond the Universal Social Backbone. This second category would also have multiple tiers. At the top would be certain major industries, especially those that a) have essentially become closed to rapid or major innovation, b) are de facto market monopolies, or c) otherwise dictate economies of scale with highly centralized controls. These would become worker-owned cooperatives subject to governmental oversight, with the level of government responsible for oversight always larger than the size and reach of the business itself. These would be much like the Universal Social Backbone category of non-profit enterprise, but in this case for-profit. There is no reason why this tier couldn't also compete with cooperatives in the first Backbone category, wherever that makes sense.

The next tier in the for-profit category would be networks of worker-owned cooperatives where both specialization and standardization have already narrowed the playing field (computing and communications, for example), but where monopolization of any one brand could still be capped at 25%. In this second tier, businesses could model flexible manufacturing networks in terms of distributed production and coordination.

Lastly, in a third tier of enterprise in the for-profit category, would be sole proprietorships or very small businesses - perhaps five people or less - that could, at least initially, follow the more traditional model of private ownership.

For all of these categories and tiers, the people will have a voice and regulatory influence via direct democracy, citizens councils, community NGOs and CDCs, and [elected technocrats](#). The objective will be to subjugate business activities to civil society, rather than inverting that relationship as it is today. Instead of managing business-consumer relationships either punitively, through the court system, or via heavy-handed regulation by the State, community-level civic institutions will become the central mechanisms of oversight. In addition, the atomistic illusion of "the empowered individual consumer," who is just being exploited through their isolation and dependency on purchasing substitutions for well-being, will be shattered by direct civic participation, and by attenuation of the profit-motive through worker-ownership, non-profit culture, and [the cultural and economic reframing of profit itself](#).

Over time, as fiat currency, banking systems and perhaps even the exchange economy itself are replaced with more egalitarian, horizontally collectivist, distributed and participatory mechanisms, then "for-profit" and "non-profit" designations will likely evaporate, and most production and services - even those within the Universal Social Backbone - could become even more distributed. Economies could then be negotiated and coordinated entirely through Open Source manifestations of direct democracy, with the means of production shifting back to communities and people's homes through advanced automation. For example, 3D printers could become ubiquitous for local and remote fabrication, as would Internet-based virtual offices and services, with AI-controlled networks of driverless vehicles providing physical distribution where necessary. Even the concepts of "worker-ownership" and ownership shares in communal resources or enterprises could dissipate, migrating through phases of social credit accounting into an as-yet-unconceived gift economy. As a helpful exercise, we can imagine various configurations and innovations to enable this transition, but the reality will need to respond to evolving conditions in rhizomatic ways.



Initially, however, the two proposed layers of major enterprise could encompass a majority of business entities – though clearly flexibility should be given to very small businesses, and perhaps even to a limited number of industry-disruptive innovators and outliers who feel (correctly or incorrectly) that collective decision-making will inhibit their unique creativity, work styles and tastes. Remembering Ostrom’s observations, we should expect adjustment to unique variables and local conditions for any proposals. At the same time, we can be fairly confident that other approaches to reforming shareholder-centric enterprises, such as benefit corporations or B Lab certified corporations, will ultimately fall short of adequately moderating the corrosive ethos of hierarchical property ownership – the problems are too endemic. As I write in *Political Economy and the Unitive Principle*:

“There have been proposals to remold U.S.-style capitalism into a more just and compassionate system. Efforts like “conscious capitalism” and its offspring, B Corporations, are the latest incarnation of an enduring American optimism that corporate culture can be changed for the better. In a similar vein, “natural capitalism” attempts to introduce true-cost accounting for natural resources, thereby recognizing externalities usually ignored by free markets, with the hope of lessening both waste and negative impacts on those resources. And of course there are an endless series of management training and organizational development consultants who will help re-brand a company into a worker-friendly, environmentally conscious, civically constructive enterprise. None of these efforts, however, have changed the market-centric assignments of property *ownership* in the U.S. system.”

Intellectual property would follow a similar path to collective ownership as we inevitably move towards an Open Source orientation, achieving maximum knowledge diffusion, contribution and collaboration. Remember that, for those whose level

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of moral maturity requires personal benefit to incentivize innovation, socially productive efforts are still rewarded via the *social credits system*. But there would be no longer be the massive concentrations of wealth resulting from exclusive ownership by individuals or organizations, so that patents, trademarks and copyrights would tend to be collectively held and have relatively brief legal durations – perhaps ten years at most.

### ***What Should be Included in Infrastructure and Essential Services?***

These are the fundamental products, institutions and services necessary for any sort of complex society to function at the most basic levels, and which have already tended to be socialized in most mixed-economies. Roads, bridges, water, electricity and communication are the first tier of this category, followed by more abstracted products and services that build on those foundations, but are still perceived as universal expectations by the general public. This second tier is comprised of the systems and institutions that provide the backbone of civil society. For example, public transportation, public healthcare, public education, public safety services, social security, and so on. As expectations differ from one zeitgeist to the next, so would the scope of inclusion in these tiers. I happen to think basic banking and insurance services, basic nutrition, basic housing, mail delivery, fundamental scientific research, worker retraining, employment placement services, and unemployment benefits also fall under "infrastructure and essential services." To summarize, I would include:

**Ubiquitous Technology:** Pervasive Internet communication technology and access equality; renewable energy production that is highly distributed and available to all; variations of equally available personal communications technology based on universally implemented standards.

**End-to-End Mass Transit:** So that regular schedules of bus, trolley, train and plane can seamlessly transport people from within a mile of their homes to within a mile of any other urban or suburban destination on the planet at a relatively low cost.

**Open Mediasphere:** All media and communications platforms, technologies, frequencies, channels and bandwidths are available to all contributors, and accessible by all consumers.

**Equitable Legal Systems & Services:** Public funding of all lawyers and legal services; qualified judges appointed to limited terms by lottery and subject to recall votes; juries selected by lottery; adoption of Dworkin's "Law as Integrity" or other consistency standard.

**Protected Nutrition:** Guaranteed availability of low-cost basic nutrition; a robust and sustainable food supply (organic, genetically diverse, non-engineered); a move away from large, centralized production to more distributed, local production.

**Universal Public Education:** For all levels of education, in all disciplines, provided equally to all applicants.

**Universal Wellness Services:** For healing, health, well-being and self-care training and resources in all dimensions, and inclusive of encouraging moral development.

**Universal Employment Training & Job Placement**

## Universal Non-Profit Unemployment, Disability & Retirement Insurance

**Public Health & Safety Services:** Well-provisioned and staffed fire, police, ambulance, rescue, disaster mitigation, consumer protection, etc.

**Public Housing:** Temporary public housing when pursuing education, transitioning between jobs or regions, engaging in retraining, holding public office, or during periods of disability, recovery or medical treatment.

**Public Monetary System & Macroeconomic Stability:** Monetary system migrated to Level 7 (see [common property shares](#)), perhaps using a "Chicago Plan" styled interim system for transition.

## Fundamental Scientific Research

**Non-Profit Member-Owned Banking:** No more privately owned banks; no more privatize profits with socialized risks; no more high-risk speculative instruments.

## Public Mail Service

## Reintegration Rehabilitation & Training for All Non-Violent Criminals

One common thread of these public domain industries, however, is that they facilitate trade for the second category of labor. This is a crucial point: without centrally coordinated infrastructure and essential services, there really is no way to enable a reliable (or equitable) exchange economy of any kind. Also, to whatever degree possible, *all of this should be organized and tactically managed at the community level*, with centralized standardization and support, subject to direct democratic control. Instead of centrally run state institutions or corporations, there would be **networked, non-profit, worker-owned cooperatives** that are centrally regulated but monitored, but administered with a substantial degree of autonomy at the community level. It might also be interesting for different regions to compete with each other for customer satisfaction, and be rewarded in some way for their success. If the service or product being delivered provides the most fundamental level of infrastructure or essential services, there wouldn't be competition for customers between the cooperatives, but the cooperatives would be limited in size (by service area, etc.), and subject to public input and scrutiny to ensure an adequate level of service delivery. If the service or product is not part of infrastructure or essential services, then the non-profit cooperatives could compete with each other for the same customers across different regions. So although there is a strong element of central planning here, the actual control and execution is highly segmented and distributed, both because of the divisions of government already alluded to, and the emphasis on community-level organization.

There should be some mechanism to ensure the Universal Social Backbone doesn't somehow undermine individual contribution to society by inoculating the least morally developed against survival or well-being concerns. That is, there would be some form of citizen reciprocation for this foundation, and consequences for a lack of reciprocation. So, for instance, everyone who receives benefits could participate in these very same programs as unpaid volunteers for short but regular periods of time, with consistent expectations of performance. If someone chooses not to volunteer, or willfully

## L7 Enterprise Schema

demonstrates exceedingly poor performance, their access to some or all of these services (or perhaps certain qualities of service) could be restricted. *This consideration of reciprocity is the basis for the Level 7 [social credits system](#).*

Another way to approach a definition of infrastructure and essential services would be to examine those civic functions that ensure the following freedoms, specifically with the aim of *eradicating all forms of poverty*:

- *Freedom from existential crisis.*
- *Freedom from the tyranny of private property.*
- *Freedom of safety and security through equal treatment under the rule of law and protection from violence and the fear of violence.*
- *Freedom from deceptive manipulation, exploitation and coercion.*
- *Freedom from ignorance and equal access to multidimensional training, skills, knowledge, deep learning & information.*
- *Freedom of health, wellness and well-being through equal access to healing, training and nourishing resources.*
- *Freedom of speech and self-expression through equal access to all arenas of communication and media.*
- *Freedom and equality of travel and relocation.*
- *Freedom and equality of peaceful assembly and association.*
- *Freedom from prejudice, disenfranchisement and social isolation.*
- *Freedom and equality of privacy and participation.*
- *Freedom and equality of spiritual, psychosocial and moral development.*
- *Freedom and equality of opportunity through mutual trust, collective participation, and sharing of common property and communal social capital.*
- *Freedom and equality of "spaciousness" in free time, quiet and solitude.*
- *Freedom and equality of opportunity and support for self-reliance.*

Finally, an additional tool to help answer this question is similar to the way we could approach *res communes* property designations: to ask what products and services have already - for years or even decades - arrived at relatively static, price-inelastic demand in a market economy. At a minimum, this could help determine which services and production could be delivered via non-profit rather than for-profit enterprise.



# Reframing Profit

## *Proposed Level 7 Criteria for Non-Profit vs. For-Profit Designations*

In a Level 7 political economy, the idea of "profit" represents something much different from what it currently does in traditional crony capitalism found in the U.S. and other developed countries. It is such a stark contrast, in fact, that the clearest representation is to compare the two conceptions side-by-side:

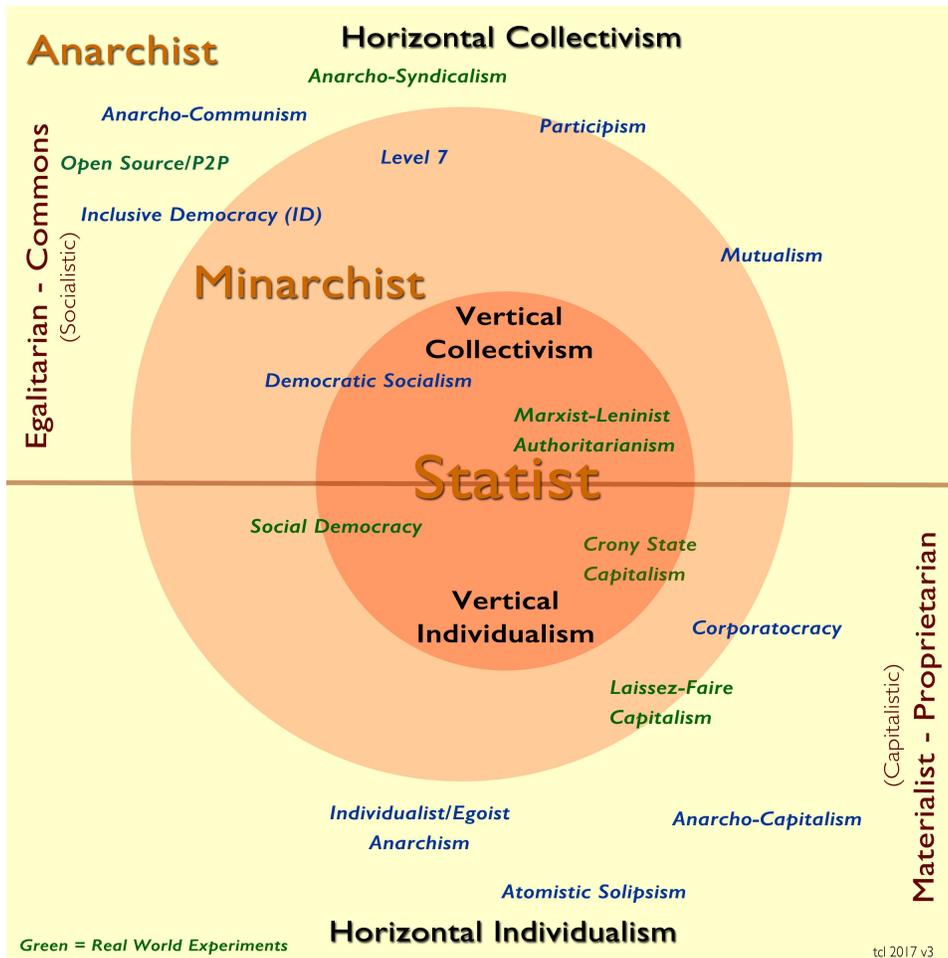
<b>Nature of Profit</b>	<b>Level 7</b>	<b>Traditional Crony Capitalism</b>
1) As a reward for...	<ul style="list-style-type: none"> <li>• Demonstrated Creativity</li> <li>• Demonstrated Complex or Demanding Learned Skills &amp; Abilities</li> <li>• Demonstrated Innate Talents</li> <li>• Demonstrated Knowledge</li> <li>• Enhancing or Strengthening Civil Society</li> <li>• Innovations &amp; Research that Benefit Health &amp; Well-Being</li> <li>• Reviewed &amp; Validated Scientific Discoveries</li> <li>• Demonstrated Self-Sacrifice for the Betterment of Others</li> <li>• Demonstrated Endurance (Longevity) and Effectiveness in a Social Services Roll</li> <li>• <i>Technocratic Expertise</i></li> <li>• Exceptional or Unusual (Outlier) Contributions to a Particular Field</li> <li>• Demonstrated Efficiencies or Lowering Overhead within Ostrom's Common Pool Research Management Schema</li> <li>• Solutions That Demonstrate Long-term Viability &amp; Sustainability</li> <li>• <i>Increasing Market Share through Competitive Differentiation/Improvements</i></li> <li>• <i>High-Risk Startup Investment</i></li> </ul>	<ul style="list-style-type: none"> <li>• Increased Efficiencies of Production or Lowering Overhead (automation, reducing wages, outsourcing to developing economies, etc.)</li> <li>• First-To-Market Innovations</li> <li>• Top 5% of Exceptional Creativity/Skill/Ability</li> <li>• <i>Increasing Market Share through Competitive Differentiation/Improvements</i></li> <li>• <i>High-Risk Startup Investment</i></li> <li>• High Pressure Sales &amp; Persuasive or Deceptive Advertising/Marketing</li> <li>• Creating Consumer Dependency &amp; Addiction</li> <li>• Coercing Maximum Labor Output</li> <li>• Disregard for Worker Safety</li> <li>• Reckless Natural Resource Extraction &amp; Depletion</li> <li>• Monopolization</li> <li>• Price-Fixing &amp; Anti-Competitive Practices</li> <li>• Disregard for Negative Externalities</li> <li>• Disregard for Consumer Safety</li> <li>• Conspicuous Consumption Coupled with Price-Elastic Demand</li> <li>• Engineering of Artificial Scarcity</li> <li>• Rolling Back Regulations</li> <li>• Lowering Business Tax Rate</li> <li>• Socializing Risk While Privatizing Profit</li> <li>• Encouraging Consumer Debt</li> <li>• Encouraging High-Risk Speculation (Gambling)</li> <li>• Overcharging, Excessive Fees, Interest Gauging, Hidden/Undisclosed Costs</li> <li>• Planned Obsolescence</li> <li>• Bait &amp; Switch</li> <li>• Delivering Illicit Products/Services</li> <li>• Aggressive Self-Promotion &amp; Political Cleverness</li> <li>• <i>Technocratic Expertise</i></li> <li>• Zero-Value-Add Rent-Seeking Activities</li> </ul>



2) To be shared by...	<ul style="list-style-type: none"> <li>All Workers and Member-Shareholders of a Cooperative, Democratic Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Select Owner-Shareholders &amp; Senior Executives in A Command-Style Enterprise</li> </ul>
3) With <i>holistic valuations</i> & margins to be influenced by...	<ul style="list-style-type: none"> <li>Self-Managed Workers</li> <li>Community Organizations</li> <li>Citizens Councils</li> <li>Direct Democracy Referenda</li> </ul>	<ul style="list-style-type: none"> <li>Owner-Shareholders, Executive Board Members &amp; Senior Managers</li> <li>Marketing &amp; Competitor Pricing</li> </ul>
4) With standardization & regulation of for-profit enterprise via...	<ul style="list-style-type: none"> <li>Elected Technocrats with Specialized Expertise</li> <li>Direct Democracy Initiatives &amp; Referenda</li> <li>Co-Created Legislation (Technocratic Initiatives as Approved by Direct Vote)</li> <li>Citizen's Councils</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Lobbyists</li> <li>Career Politicians Who Often Have Little-to-No Specialized Expertise</li> </ul>

As you can see, there is very little overlap between these two incentivization and planning structures, with a more direct linkage between profits and prosocial and pro-civic activities in Level 7 than ever could be achieved under traditional capitalism. This is a fundamental consideration in Level 7, and it will be familiar to anyone who has read economists Veblen, Schumacher, Sen and others in their company: *there needs to be a clear values linkage between free enterprise and civil society; the two cannot and should not operate independently of each other.* In fact, as I write on the Level 7 website: "The objective will be to subjugate business activities to civil society, rather than inverting that relationship as it is today." Why shouldn't the most socially productive enterprises – enterprises that provide the greatest, most prosocial and widely shared benefits to civil society – be rewarded the most, instead of those that are self-serving or even socially destructive?

Now we could just stop there and allow our imagination to populate the various domains in non-profit and for-profit enterprise at all levels of society – community, district, megalopolis, province or state, regions, nations, etc. And really in any system that attempts to honor subsidiarity, direct democracy and polycentric governance for the common good, leaving it to participatory imagination could be enough. But there are also natural barriers to conceiving of alternatives to current political economies, and those theorized via proposals across the political and economic spectrum. We have become accustomed to and comfortable with the familiar, unaware of alternatives, distracted by our commercialist spectacle, and seduced by inertia. So the spirit of Level 7 proposals is to explore what some as-yet-unimagined alternatives might look like....



In Level 7, for-profit and non-profit designations can be addressed to some degree via the collectively designated *holistic value* for a given product or service, as this valuation process will inherently expand or contract potential profitability. How do we arrive at *holistic value*? In brief we can apply the following formula, which expands slightly upon previous conceptions described in [Political Economy and the Unitive Principle](#):

<p><b>HOLISTIC VALUE =</b></p> <p style="text-align: center;">Intersubjective use value (the aggregate of <a href="#">culturally esteemed, desired &amp; dependent utility</a>)</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Evidence-based contribution to balanced, high-quality multidimensional nourishment (i.e. support &amp; stimulation for the thirteen dimensions of <a href="#">Integral Lifework</a> – both individually and collectively)</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Perceived ongoing facilitation of social cohesion, civic engagement, community empowerment and vibrant democracy</p>
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As part of this process, we can even target the "fulcrum's plane" of ideal nourishment to refine *holistic value* with objective metrics – metrics which can then be made available to all via the [Public Information Clearinghouse](#). The fulcrum's plane in this instance refers to an optimal range of nourishment across all thirteen dimensions of wellness, which of course will be a spectrum for each individual and different groups demographics, but can be generalized for a community, megalopolis, region or other population boundary for the purpose of contributing to *holistic value* calculations.

<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
1. Damaging 2. Empty Reserves 3. Partially Depleted 4. Dissonant	5. BASELINE 6. Harmonious 7. Healing 8. Transformative	9. Competing (Impeding) 10. Cross-Canceling (Retrograding) 11. Addictive 12. Damaging

Ultimately, *holistic value* offers an avenue of defining and encouraging prosocial, pro-civic, pro-wellness productivity, and then – in conjunction with production costs and fixed markup percentages for each stage of supply and distribution – to calculate a collectively-agreed-upon final exchange price index for categories of goods and services. In other words, this public deliberation would include fixed markups for different distribution methods – brick-and-mortar, online storefronts, informal 3D printer file distribution, etc. – and each link in the supply chain. All of the fixed markups across production, distribution and servicing could then also be indexed in accordance with *holistic valuation*, so that the same social values are promoted from end-to-end. Really, any formulation could be used as long as it is consistent; the objective is for exchange values to reflect  $[(actual\ production\ costs + fixed\ markup) + holistic\ valuation + (actual\ distribution\ costs + fixed\ markup)]$  in the most fluid, transparent and publically managed way possible. In this way, Level 7 seeks to minimize profits and growth, and maximize economic stability along with equitable distribution.

(Note: For additional discussion, and an overview of how *holistic value* figures into a redefinition of property, see [The Level 7 Property Position](#).)

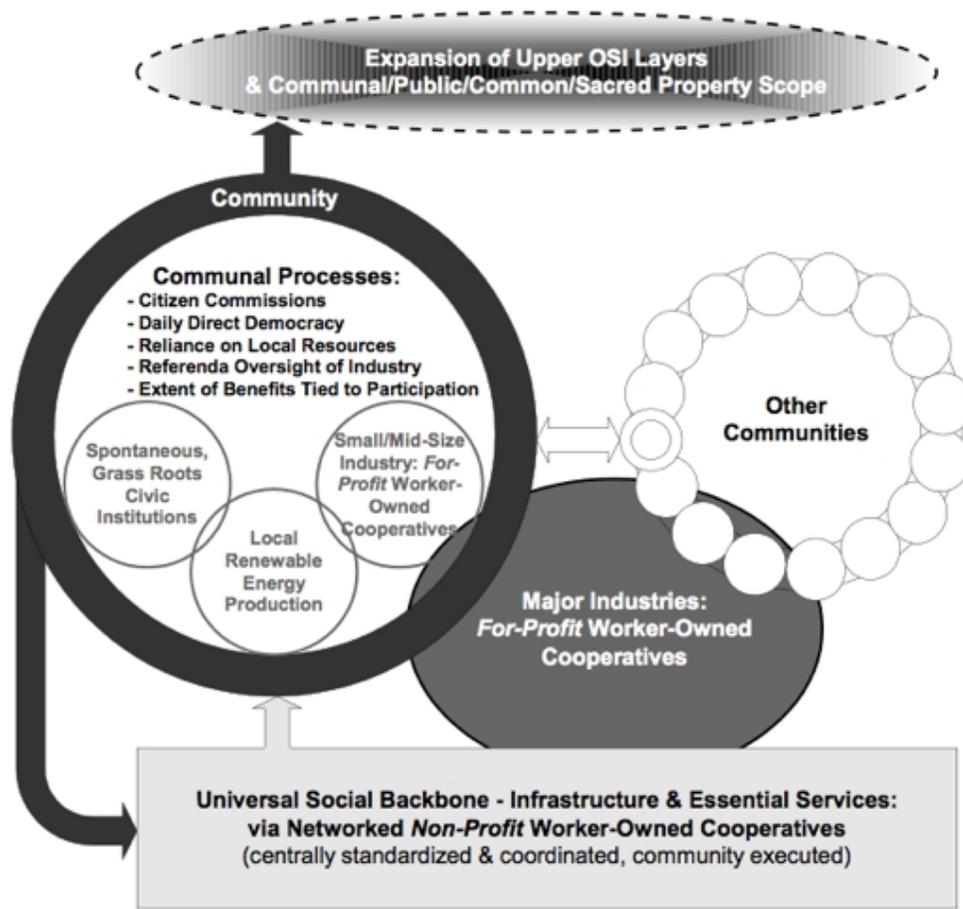


By promoting such a system of goods and services valuation, and infusing the process with direct democratic mechanisms and community oversight, we have the opportunity to short-circuit externalization and commodification – along with the deceptive manipulation, fetishizing and unconscious lemming behavior that often accompanies these practices – and invite more detached, intersubjective, intrinsic and spontaneous assessments of value. How does this short-circuiting occur? From one perspective, it is because we are aiming, individually and collectively, to evolve beyond profit-seeking and individualistic materialism toward the nurturing, prosocial, egalitarian orientations of our higher selves; we are consciously honoring and reinforcing the ever-expanding arenas of compassionate affection inherent to moral maturity, rather than the I/Me/Mine acquisitive egotism of capitalistic toddlerization (see [Integral Lifework Development Correlations](#) for elaboration on this topic). And by honoring and energizing the *better* over the *base*, we encourage its flourishing: the innate values, virtues and characteristics we want to drive and support our society [will be the ones we feed](#).

In harmony with this form of valuation (and, ultimately, price-setting), I think it can be argued that enterprises engaging in the most supportive and "holistically valuable" products and services should also have the greatest opportunity to (collectively) profit from those activities – at least in the initial iterations of Level 7 that maintain a robust exchange economy. And, as we're redefining incentivization end-to-end, those standards should remain consistent throughout whatever system we implement. This speaks to how fixed markups throughout production, distribution and servicing would be consistently and transparently indexed; how wages are set within an enterprise; and indeed how social credits are awarded for Level 7's [Universal Social Backbone](#) (USB). In any case, this provides our first criterion for a viable, values-supportive incentive that itself aims to inhabit the "optimal range" of profitability that is *neither deficient nor excessive*.

Regarding the Universal Social Backbone, we will also want to conceptually and functionally separate USB infrastructure and services from enterprises that compete in an exchange economy to provide goods and services above-and-beyond civic fundamentals. The nature, rationale and proposed extent of USB infrastructure and services – which again will likely have considerable variability among different localities with different needs – is

covered in detail in [The Goldilocks Zone of Integral Liberty](#) essay. However, to help clarify which enterprises potentially reside within the USB and therefore participate in a social credits system rather than an exchange economy, I've provided an initial list at the end of this essay. For additional explanation, an overview of the various layers of enterprise participating in a Level 7 exchange economy is provided on the [A New Enterprise Schema](#) page of the Level 7 website, as illustrated by the graphic below. Essentially, there are many overlapping sizes and networks of non-profit and for-profit enterprise in that schema. At first glance, there might appear to be a contradiction between pro-civic economic activities that are partially incentivized by profit, and those which become networked non-profit infrastructure and essential services enterprises in the USB. But I think this issue will clarify itself shortly, as we examine the additional parameters in play and their projected evolution over time.



(From [Level 7 Enterprise Schema](#))

Another variable that informs differentiation of for-profit from non-profit is the knowledge, skill, creativity, innovation and cleverness inherent to a service or product. Here we also find an opportunity to include automation and computerization in the mix. Thus, if something can be produced in an automated facility, via Artificial Intelligence, or with an in-home 3D printer, and requires very little human skill to accomplish as an end-product, then it seems practical to designate it as a non-profit activity. At the other end of the same spectrum, if there is a substantial necessity for human involvement and skill – and perhaps high levels of skill – then it might logically be designated as for-profit when operating outside of the USB. I think this approach echoes the considerations of Marx, Ricardo, Smith and Locke regarding the uniqueness and importance of human labor's contributions to productivity in general – though of course it does not echo their particular conceptions of how this value should be calculated or managed. For example, I intentionally fall short of both a formal Labor Theory of Value (LTV) and labor theory of property/appropriation here – both because human labor is only part of the overall equation, and because private property ownership reinforces a tyranny that robs human beings of essential freedoms (see [The Goldilocks Zone of Integral Liberty](#) for further discussion of this topic). And of course at a Level 7 development of political economy, we're also taking a hybrid approach to commodities that intends to address many of Marx's concerns without completely doing away with money, private property, commodities or an exchange economy.

Now what also becomes important in this context is not to denigrate one type of skill or knowledge while elevating another – for, as with the pitfalls of property ownership itself, the arbitrary and capricious valuation of some skills or learning above others is one of the classic problems that manifest in traditional capitalism; we can and should avoid "fetishistic" amplifications in this regard. Lastly, although I'm addressing the creativity, skill and knowledge of labor separately from *holistic value*, ultimately these contribute to the same overall flavor of for-profit vs. non-profit differentiation.

We should take a moment to touch upon the rent-seeking and economic financialization that has become so prevalent both to modern capitalism's growth and seeming

amplification of boom/bust cycles. These are examples of what happens when profit is entirely disconnected from nearly every aspect of the participatory economic valuation described thus far (i.e. actualizing  $[(actual\ production\ costs + fixed\ markup) + holistic\ valuation + (actual\ distribution\ costs + fixed\ markup)]$  in the most fluid, transparent and publically managed way possible). The sort of high-risk, large-scale gambling that rent-seeking and financialization have come to embody – predicated only on "profit for profit's sake" and the wanton celebration of greed – is anathema to a Level 7 system. Which is why products and services within the financial industry – and indeed how society treats leveraging and debt overall – will require special attention. Just as with the fixed margins in conventional production, the same public feedback mechanisms can be in play with respect to individual and institutional leverage ratios, interest rates, credit access and debt burdens. The same indexing that applies to profits can be applied to these parameters as well, generating like-minded incentives, disincentives and perceived risk for a given enterprise based on the prosocial, pro-civic, pro-wellness values that enterprise does or does not promote. I also think it goes without saying that rent-seeking behaviors will understandably fall at the "perverse utility" end of the spectrum, with their profitability restricted appropriately.

Ultimately such deliberations lead us to the issue of money itself. When I was a young child, I remember observing a distinct contrast between two communities I lived in at different times. In one neighborhood, people helped each other take care of basic needs as a matter of social investment and reflex; there was a tacit understanding of mutual trust, sharing of resources, and willing reciprocation. When a frail elderly person needed their lawn mowed, a neighbor with a nice lawnmower would take care of it for them; when someone else needed a babysitter, the frail elderly person might step in to help; when the neighbor with the lawnmower had car trouble, another neighbor with tools and an automotive knack would help them fix it; and so on. This mutual aid was never something anyone questioned or avoided. Then, after a few years, I moved to another neighborhood, where this kind of community participation and relationship was not expected or encouraged. Instead, everything was paid for with money – even if a neighborhood kid offered to mow your lawn, you knew they expected to be compensated. And of course coinciding with this monetary expectation was a general isolation and separation within

the community itself – an inherent mistrust and loneliness among all my neighbors that in no small part was being expressed and expanded by money-centric relationships.

Observing this difference created a strange dissonance for me as a young person, and after much thought I concluded that money routinely supplanted trust between people. Either as a consequence of the breakdown of cohesive community – or indeed as a causal factor – reliance on monetary exchanges undermined human relationships on a fundamental level. I did not discover until many years later that Marx and others had come to a very similar conclusion on a macro level: that the exchange of money for objects and services abstracted social relations to such a degree that those relations could be damaged or destroyed. Eventually, I would come to see that individualistic materialism – amplified as it was by the commercialism, conspicuous consumption and deliberate infantilization of consumers – was really at the heart of this destructive tendency, and that money was simply the language it most frequently employed.

So I was not surprised when I eventually encountered a convergence of evidence and insight around this issue. For example, interdisciplinary research illuminating the positive impact of genetically predisposed prosocial traits and group selection on human survival (see Grit Hein, Scott Huettel, Barbara King, E.O. Wilson et al); or Kropotkin's examination of mutual aid as a guiding principle of social organization; or my personal experience of the obvious advantages of collaboration and cooperation (over "rugged individualism" or "going it alone") in nearly every life context; or meditating upon the Apostle Paul's warning to Timothy that "the love of money is the root of all kinds of evil." Beyond simply confirming my assumptions and observations around this issue, it became painfully clear that capitalism was an unnatural and corrosive imposition on the human condition.

Which brings us to how I propose mitigating the antisocial impacts of money and commodification in a Level 7 political economy. I do envision a moneyless gift economy as an eventual evolutionary certainty in humanity's moral progression, as would be increasingly expressed in Level 8 orientations and above in the [Integral Lifework Development Correlations](#). We already know that profit is not a necessary incentive for human activity, inquisitiveness or excellence – we see strong evidence for this in the Open

Source movement, P2P knowledge sharing, the excellent academic research and innovation performed by unpaid students and interns, the joyful intensity of various hobby clubs and professional societies, and in the relationships and communities referenced earlier *where people simply care about each other*. In fact, contrary to the wishful thinking of market fundamentalists, the vast majority of modern technological and scientific innovation and excellence has arisen from such non-profit-centric or publically funded activities. But we haven't yet arrived at either a post-scarcity world or the sufficient collective moral maturity to support a 100% gift economy. So what can we do for now...?

The current Level 7 proposal centers around the concept of community-centric [common property shares](#). As quoted from Level-7.org:

"Right now when we stand in almost any location - populated or not - and look around, most of what we see are things that other people individually own, or things that corporation own. Cars, buildings, businesses, parks, forests, pastures and so on. But what if, instead, when we looked around at the same things, we felt a sense of communal ownership? And what if we knew - in a calculable, easily estimable and indeed semi-fungible way - the precise portion of that collective ownership that we had? And what if, just as common shares accomplish in business enterprises today, those shares also represented a voting right in how that property is managed, utilized, safeguarded and so forth? That is what common property shares are meant to accomplish....

....There would be a universal data repository - an accounting and tracking system - of all commonly held assets that acts as the backing for currency. So, when we look around us we will see the actual backing for the currency we use in our economic transactions. If those assets are maintained, the value of our currency is likewise maintained; and if those assets are depleted or destroyed, the value of our currency is reduced and/or our shares are reduced. Of course, there would need to be a carefully balanced proportionality between local, national and international currency valuation and local, national and international common ownership systems; we would want to diffuse (or aggregate) the backing variability as much as possible to create stability, while still encouraging localized contributions to the whole. Some universal percentage of the common property shares would therefore be allocated to district, state and national common repositories, as distinct from community allocations. In this way, the backing for currency is as diffused as the issuance of currency.

Now we need to ask: what constitutes an asset? And this is where things get interesting, because, using concepts inherent to *holistic valuation* in an L7 property position, what a community creates or shepherds as “valuable” can correlate with any of the dimensions of Integral Lifework - across all layers of OSI abstraction, and across all scopes and arenas of social good. In this way, a community can increase its total common property shares, and the individual holdings of property shares among community members. From community to community the emphasis may vary, but the framework is shared across all communities (which is what makes the community assets semi-fungible after all). In many ways, these common property shares are a concrete representation of political obligation or collective agreement around civic responsibility and engagement."

So the basic idea is to use a universal data repository to assign and track common shares for every person of voting age, so that they have a direct stake in the sustainability of how various resources are managed and improved, and ultimately even in how currency itself is valued. Which means that "money" itself is directly linked not to the *usurping* of prosocial relations, but to the *fortification* of those relationships for mutual benefit. There are other implications to this system that will need to be explored – such as how share values and per capita quantities correlate with variable population; the different categories of shares, some of which can be traded or transferred; the relationship between social credits, civic accountability, and common share values and velocity; and so forth. But for now we've outlined the basic idea.

There is another important area to discuss, and that is the one substantive holdover from traditional capitalism in Level 7: startups and a stock exchange. In Level 7 the currently monolithic NYSE will all but disappear, with the remaining speculative activity orbiting around high-risk outlier startups for new products and services. Although the valuation of privately held shares can be indexed in accordance with *holistic value* and the other variables discussed so far, these will still be *private* shares – not common property shares – held in equal portion by workers and investors. Essentially, this provides those craving high-risk/high-return gambling opportunities with a focused outlet for their passion, and encourages potentially disruptive innovations, improvements and change that might otherwise not enter the mainstream. It also concentrates any losses on those directly involved in the startup. In conjunction with the guiding influence of subsidiarity and the

precautionary principle, however, both the risks and the change will still be managed with public input and technocratic oversight.

As a startup succeeds and grows, the shares could first increase to the maximum allowed per-share value within the public indexing for that product or service, and then split into additional shares in proportion to ongoing increases (or consolidate if the value declines below the lowest index value limit). Within a set predetermined period, if the venture succeeds, the worker-held portion of shares could automatically be converted to common property shares and enter into the pool of currency-backing semi-fungible assets (still held by the workers). The shareholder portion of shares, on the other hand, could be divided into thirds, with one third converted to social credits linked directly to the investors, one third made available to the investors exclusively for new startup ventures, and the final third liquidated to fund USB expansion and maintenance projects.

Would such a system still encourage an elite shareholder class who effectively holds much of the wealth in society? Sure – but if social credits are the only thing actually being accumulated and concentrated to the investor's benefit, there is a natural limit to the self-serving utility of such wealth. The investors will not have disproportionate influence over the business they have invested in, or how the earnings transferred to the USB are spent, or how technocrats and council members are elected, or how legislation is written or becomes law. Speculative investment will effectively become a potentially lucrative hobby...but it will no longer contribute to a plutocratic hegemony. In Level 7, civil society is protected primarily by strong democratic processes across all of its political and economic institutions – processes which cannot be bought or distorted by the influence of wealth.

Okay...so what is the end result of applying the criteria discussed so far, with a conscious aim of reframing the profit motive? I think an ongoing, fluid and dynamic Level 7 separation would look something like this....

***Products and services with the highest for-profit potential will demonstrate:***

- High levels of support and flourishing with regard to civil society (above and beyond the USB)
- High levels of ongoing labor knowledge, skill, innovation and creativity
- High *holistic value* as previously defined
- High risk startup investment for outliers and disruptive innovation

***Products and services with the lowest for-profit potential and highest non-profit potential will demonstrate:***

- Levels of support and flourishing for civil society at or below USB stability and functionality
- Most appropriate for automation or computerization (i.e. low levels of skilled human labor, creativity, knowledge, etc.)
- A moderate to low *holistic value*
- Perverse utility (destructive to individual or social health)

Given these broad parameters, we can formulate a common-sense approach to deciding what are for-profit activities, and what are better suited to a non-profit designation in order to promote prosocial, pro-civic values in the formation and execution of human enterprise. Here is what that first sketch looked like to me, based on class of business entity and/or scope and nature (sector) of products and services in a handful of areas:

- **Sole Proprietorships** - should be able to choose for themselves, regardless of activity, but many would likely be for-profit because of their sector.
- **Veblen/Luxury Goods** - small for-profit worker-cooperatives or sole proprietorship.

- **Customized Production** (individually tailored goods) - small for-profit worker-cooperatives or sole proprietorship.
- **Goods & Services with Stable Standardization & Demonstrated Long-Term Price-Inelastic Demand** - non-profit worker-cooperative networks, or possibly distributed, small-scale automated factories.
- **Natural Resource Extraction & Allocation** - non-profit worker cooperatives & for-profit sole proprietorships.
- **Customer Service, Training & Support** - for-profit worker cooperatives.
- **Specialized (Technocratic Guild) Education** - for-profit worker cooperatives.
- **Food Production** - non-profit collectives & for-profit sole proprietorships.
- **Banking & Financial Services** - non-profit worker/member cooperatives.
- **Insurance** - non-profit worker/member cooperatives.
- **Distribution & Retail** - non-profit worker/member cooperatives.
- **Artistic Expression** - small for-profit worker cooperatives.
- **Engineering & Technology** - sole proprietorships or for-profit worker cooperatives.

Circling back on democratic product and service valuation, any for-profit enterprise will still have the value indexing of its goods and services – and the scope of its products, services, jobs, activities and overall footprint in a given community – determined in large part by [Daily Direct Democracy](#) and [Citizens Councils](#). So just how profitable a company will be is going to be heavily influenced by its conscious engagement with the community and integration of the community's priorities, independent of its for-profit designation. The incentive that profit offers in this context is to incorporate shared social values and diffused cultural capital into the equation – to once again subjugate free enterprise to civil

society. From a philosophical perspective, we could again say that "profit" in this milieu is energized by a willingness to actualize collective egalitarian virtues, rather than an obsession with individualistic materialism. *It is intended to be a complete reframing of what for-profit means within a context of horizontal collectivism.* As such, we should recognize the possibility of entirely new classes of business entity, and entirely new sectors of business activity, that evolve around a prosocial focus. In such an environment, it seems a certainty that human beings will be just as creative, complex and intricate at innovating around the common good as they have been at inventing new forms of rent-seeking; we have just offered up a much healthier flavor of cheese, and will go about defining and managing it in participatory rather than autocratic or authoritarian ways.

That said, we can also identify some problems with the initial list – and indeed with this entire approach. What rapidly becomes evident is that as neat as these kinds of divisions may look on paper, in the real world they frequently overlap. For example, the same enterprise may participate in goods or services subject to sustained periods of price-inelastic demand, while at the same time producing luxury items; likewise, the same small business may be involved in both *natural resource extraction* and *customized production*. And of course there will be overlap between goods and services that fall under the Universal Social Backbone (as some in this list already do), and those that participate in the exchange economy. In addition, there may understandably be vociferous disagreement over what constitutes perverse utility, or which products and services maximize *holistic value*.

But accounting for such divisions and dynamics within a single enterprise will not be that difficult – in fact this already happens in many larger organizations today, it's just that the mechanisms are either legalistic and arbitrated via complex and costly litigation, or they involve convoluted accounting practices. In a Level 7 enterprise, these burdens are diminished by a relaxation of the profit motive on the one hand, and truly collective enterprise governance on the other (i.e. the involvement of workers, consumers, communities, and voters in the process...instead of just owner-shareholders). In fact this should also help alleviate another counterproductive variable: the potential advantage larger enterprises with greater internal resources might have over smaller ones in

implementing and maintaining fluid adjustments. Even so, there is no reason why smaller enterprises couldn't pool or network their most critical resources to match economies of scale, while at the same time competing with each other. Across industries with increasing standardization and long-term price stability, this has already happened after available efficiencies were maximized.

However, due to the potential for increased complexity – and a desire to manage concentrated capital accumulation itself – a "wealth tax" could be implemented that applies to all fixed and liquid assets. Initially, this could be a progressively tiered tax for both individuals and enterprises. Eventually, as more and more aspects of the overall exchange economy are converted to [common property shares](#) (that is, as more and more property advances to an egalitarian [property position](#), and both private property and the exchange economy itself attenuate), the wealth tax could be calculated on those shares, and contribute directly to the social credits system that operationalizes the Universal Social Backbone. In other words...the exchange economy will itself begin to shrink in overall size and scope, as its functions are replaced more and more by enterprises within the social credits system. And this is one reason why the USB is not really a contradiction, because for-profit business and the profit incentive itself will ultimately be absorbed into the USB over time, transforming them to non-profit activities. A longer-term goal, to be sure, and an indication of transition beyond Level 7 to more morally advanced political economies.

Something that should also be kept in mind is that Level 7 also aims to create highly diffused and distributed enterprises – all the way down to the community level if possible. The idea is to promote localization of production and services, so that community engagement in oversight and planning can have real traction. This also facilitates competition between non-profit and for-profit enterprise at the local, regional and national levels, as well as competition between non-profit collectives for USB infrastructure and services at the local level. Thus the USB and overall economy is itself implemented and managed in a decentralized way, but relies upon universally adopted standards. Another Level 7 objective is to encourage [friendly competition](#) that replaces any antagonistic rivalries, so that the long-term advantages of competing approaches to goods and services can be maintained.

Finally, it should be reiterated that all of this is linked to indexed wage considerations and profit-sharing. From [\*Political Economy and the Unitive Principle\*](#):

"The ratio between the salary of the highest paid individuals in a given field and that of the lowest paid individuals in the same field - as well as what the highest and lowest wages would be, the benefits of seniority, and other aspects of pay structure - could be publicly set through a direct democratic process by the general populace for all businesses that are not privately owned (i.e. for all businesses except sole proprietorships and very small businesses). The same formula could be applied to the ownership of communal property shares. To avoid rapid salary swings, changes could be incremented over time. In addition, the highest and lowest wages across all of society could also be democratically set to reflect their *holistic value* as evaluated and agreed upon by the electorate. In both cases, this wage-setting process could be repeated regularly every few years. Using some combination of consistent calculation factors, this would reflect a more equitable distribution of wages within organizations and across whole industries, especially as some positions between those organizations become interchangeable. To include a competitive variable in this equation, profit-sharing would not be part of these set wages, but in addition to it. However, profit-sharing could also be distributed according to exactly the same wage ratio. There could of course be other profit distribution mechanisms, but the goal is to curtail the stratospheric concentration of wealth in any individual or group of individuals."

Here again the intention is to reflect the values hierarchy expressed in the reframed profit dynamics of the Level 7 exchange economy. This is really something that can be tactically managed within each organization, so that the routinely scheduled public referenda would be advisory, corrective and strategic in nature – part of the checks and balances that facilitate a level playing field via a participatory values hierarchy. Of necessity, therefore, all wage agreements within each organization would be made available for discussion, analysis and debate via the [Public Information Clearinghouse](#). At some point, we might also conceive of a "wisdom-of-the-crowd" AI mechanism that contributes to both wage calculations and intersubjective use values, where human behaviors are organically observed across communities and society as a whole, providing a reliable hint of predictive trends in-the-wild. The more contributing input streams the better, in my view, to synthesize a truly dynamic and culturally responsive calculus.

One obvious casualty of wage-setting consistent with Level 7 values will be competitive or commissioned sales. In fact the entire orientation of sales culture will of necessity shift away from "getting to yes by any means possible," often incentivized by carrot bonuses and stick quotas, as this almost universally results in misleading tactics and manipulative relationships within sales organizations and between resellers and customers. Instead, "selling" will be about actually matching authentic customer needs and preferences with the most appropriate, reliable, high-quality and innovative product or service – even in the case of Veblen goods. And how is this new paradigm incentivized? By the potential increase in value to common property shares for a successful enterprise over time, which will be influenced by long-term community and customer satisfaction - *and much less by quarterly sales performance.*

Now a question that inevitably arises to permeate discussions of for-profit enterprise is: *where do the profits go?* Some portion will of course convert to common property shares, which in turn will be owned by the workers and consumer-members of the cooperative. And some portion will be paid into the USB system via the proposed wealth tax. Some portion will be used to expand enlarge the enterprise or expand its capacities. I think there is ample opportunity to experiment with new allocations and configurations, as well as observe what has worked for existing for-profit cooperatives around throughout recent history. In this instance, we need not reinvent the wheel...just steer it in a more socially productive direction.

Of particular interest is the idea that common property shares are tradable, transferrable, and accumulable. I frankly am still in the process of working out conceptions of this landscape in detail, but this part of what makes communal assets semi-fungible: the representation of their value in currency is dependent on like being exchangeable for like across all zones of economic activity; they are mutually substitutable, with the main limitation being that the residents of a given community (or workers in a particular enterprise) are tied to assets in their local community and workplace. This an important feature of Level 7 both via its representation of subsidiarity and its reinforcement of community engagement and accountability. Along these lines, I think it would be critical for there to be a gradual vesting schedule for accumulating and maintaining distributions

of shares – a period during which a community member or worker-owner's percentage of share allocation or ownership slowly increases (perhaps by 15-20% per year?) until fully vested.

But what if a person moves from one locality to another, or changes employment? My instinct would be to treat such movement similarly to how a primary residence in real estate is considered in our current landscape (albeit without any realtors being involved): assets would need to be relinquished – in exchange for their current value – back to the community and the originating enterprise, with the expectation and restriction that the proceeds be reinvested in a new locality or enterprise within a set period of time, and for the current value of those assets to avoid subjection to a hefty wealth tax. Such a reinvestment – which is essentially a transfer of like for like – would not be taxed, and subject to minimal fees. At the place of origin, the relinquished assets could be held in trust until either a) re-assigned to a new community member or worker/member-owner who becomes fully vested over time; or b) redistributed to existing fully-vested community members or worker/member-owners if the population or workforce remains static or declines.

## **Why?**

As to the whys and wherefores of Level 7's insistence on these values, priorities and approaches, their advantages should be fairly clear to anyone who has studied the deleterious impact of capitalism on civil society – and especially the flavor of capitalism so aggressively and successfully championed by proponents of [neoliberal ideology](#). But for those as yet unfamiliar with the imperative to evolve beyond commercialistic corporatism and conspicuous consumption, I've elaborate upon the central concerns here: [A Case Against Capitalism, Reviewing the Evidence](#). What I am proposing, therefore, is mainly an intentional remedy the problems of modern capitalism. Wherever I have fallen short of this, I am hopeful that others will take up the baton and run with it.

## Universal Social Backbone (Essential Infrastructure & Services) Examples

- **Ubiquitous Technology:** Pervasive internet communication technology and access equality; renewable energy production that is highly distributed and available to all; variations of equally available personal communications technology based on universally implemented standards.
- **End-to-End Mass Transit:** So that regular schedules of bus, trolley, train and plane can seamlessly transport people from within a mile of their homes to within a mile of any other urban or suburban destination on the planet at a relatively low cost.
- **Open Mediasphere:** All media and communications platforms, technologies, frequencies, channels and bandwidths are available to all contributors, and accessible by all consumers.
- **Equitable Legal Systems & Services:** Public funding of all lawyers and legal services; qualified judges appointed to limited terms by lottery and subject to recall votes; juries selected by lottery; adoption of Dworkin's "Law as Integrity" or other consistency standard.
- **Protected Nutrition:** Guaranteed availability of low-cost basic nutrition; a robust and sustainable food supply (organic, genetically diverse, non-engineered); a move away from large, centralized production to more distributed, local production.
- **Universal Public Education:** For all levels of education, in all disciplines, provided equally to all applicants.
- **Universal Wellness Services:** For healing, health, well-being and self-care training and resources in all dimensions, and inclusive of encouraging moral development.
- **Universal Employment Training & Job Placement**
- **Universal Unemployment, Disability & Retirement Insurance**
- **Public Health & Safety Services:** Well-provisioned and staffed fire, police, ambulance, rescue, disaster mitigation, consumer protection, etc.

- **Public Housing:** Temporary public housing when pursuing education, transitioning between jobs or regions, engaging in retraining, holding public office, or during periods of disability, recovery or medical treatment.
- **Member-Owned Banking:** No more privately owned banks; no more privatize profits with socialized risks; no more high-risk speculative instruments.
- **Public Monetary System & Macroeconomic Stability:** Monetary system styled after the Chicago Plan (see “The Chicago Plan Revisited” at <http://www.imf.org/external/pubs/ft/wp/2012/wp12202.pdf>), and a favoring of a stable exchange rate and independent monetary policy over free capital flows.
- **Fundamental Scientific Research**
- **Public Mail & Shipping Service**
- **Reintegration, Rehabilitation & Training for All Non-Violent Criminals**

In conclusion, all such facets of profit – including many not yet explored – will require revisiting and adjusting according to real-world conditions. However, there is no reason to doubt humanity's continued capacity to reinvent itself in response to new knowledge, environments, technologies and systems of governance. In the spirit of Elinor Ostrom's research on Common Pool Resource Management, we just need to appreciate the design criteria that prove the most effective over time, and initiate community-level pilot projects to test those assumptions with broader and more comprehensive scope. In fact, why couldn't there be multiple pilot efforts that compete with each other for reliability, scalability, sustainability and so forth? Regardless of implementation, pushing past a theoretical reframing of profit to evaluating its efficacy in praxis has already become the moral imperative of our time.

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## Social Credits System

Everyone would be assigned an annual allocation of social credits that begins accumulating at birth; these credits will be used exclusively for infrastructure and essential services (i.e. the [Universal Social Backbone](#)), and would not be tradable. The calculation could, at least initially, be based on conceptions like the [social dividend](#), since there would be a loose correlation between social credits and an individual's portion of national (as opposed to local) [common property shares](#). The major difference regarding social credits has to do with their a) variability of *quantity* based on age, and b) variability of *quality* based on civic participation, cultural contributions and accumulated infractions. While the quantity of social credits will progress in a predictable, linear fashion for all citizens, the quality of those credits can vary greatly — either regarding the entire balance, or a portion of that balance. Consistency of allocations, tracking and quality adjustments clearly has paramount importance here, as does the strict attachment of social credits accounting to each individual's unique digital identifier to prevent misuse or fraud.

As to how the quality adjustments are made, this is likely something that will evolve over time as the program matures. As a first take on such adjustments, the following factors might be considered:

- Participation in citizens councils

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- Participation in daily direct democracy (with controls that weed out arbitrary or automated participation from thoughtful engagement)
- Personal contributions to culture, economic productivity or innovation, liberal arts theory, education, technology, science, fine arts, or any other dimension of society that likewise would increase common property shares at the community, district, state or national levels.
- Personal contributions to the [Public Information Database](#)
- Participation in NGOs that successfully serve community interests.
- Participation in infrastructure and essential services that require high levels of technocratic skills, technical expertise, experience, knowledge or worker risk.
- Volunteerism in infrastructure and essential services or NGOs at any level.

But who will make such determinations? I think it is important that there be both elected or appointed technocrats who participate in this process, as well as community-level assessments through (potentially) citizens councils and daily direct democracy. There should also be an appeals process — open to anyone who has concerns — for both exceptional awards and punitive reductions of credits, so that all such decisions are publicly and professionally vetted.

Questions also arise about transferability. For example, what if someone who has enhanced the quality of their social credits beyond any usable level for their age or needs would like to enhance the social credits of others who are disabled in some way, or even someone who seems particularly deserving but whose efforts aren't recognized in the standard calculus? In such instances, it seems like they should be able to do so, perhaps through a civic lottery system made available to a) citizens nominated by a community for special consideration, or b) citizens with credits below a specific threshold of quality who desire a one-time "second chance" opportunity to improve their credit quality. This is in keeping with the idea that surpluses in society can and should be shared with those less fortunate. At the same time, there could be limits on such transfers (the duration of quality change, the quantity of credits affected, etc.) so that a temporary uplifting experience of higher quality infrastructure and essential services acts as an incentive to improve one's own credit quality through prosocial, productive, creative, compassionate behaviors.

Regarding how such a large and pervasive system could be technologically administered, perhaps a blockchain public ledger could be used, though this anticipates highly distributed homogeneity and sophistication of technology across all communities. This reminds why a Universal Social Backbone becomes so critical: without standardization and nearly universal proliferation of fundamental infrastructure and services, the hope for efficient mechanisms of management and distribution of any resources (including, in this case, a credit system and currency itself) becomes untenable.

### ***What Do Different Quality Levels of Infrastructure and Essential Services Look Like?***

This is an interesting conundrum and depends both on what is included in infrastructure and essential services, and how sophisticated or developed the Universal Social Backbone becomes. And since, in the initial implementations of a Level 7 economy, networked for-profit and non-profit enterprise will compete for Universal Social Backbone customers, some natural specialization and market differentiation will occur. There will undoubtedly be higher and lower quality options for education, mass transit, healthcare, communication, CLT housing, recreation and so forth. I can imagine the highest quality social credits being associated with rare or extraordinary experiences - trips into space, temporary residence in an

## L7 Social Credits System

mountain-top estate, front row seats at the finest entertainments, exclusive education from the most accomplished professionals in their field, access to the most advanced health-enhancing technology, etc.

Could this service quality variation create a multi-class society of haves and have-nots, mimicking the current capitalistic phenomenon of growing wealth disparity? Yes, it could *temporarily* do so - but with significant differences. First, the “low-quality” options will actually be very good - probably much better than what is currently available. Second, the “higher-quality” recipients will not have achieved their privilege through deception, exploitation, aggression or any other nefarious means; they are being rewarded for their positive, prosocial, compassionate contributions to society as a whole (for example: the greatest good, for the greatest number, for the greatest duration). And what portion of such persons, do you think, would want to share their privilege with others where possible? I suspect a fair number. Remember also that higher quality social credits are not permanent, but only for a limited duration. Even for large accumulations of high quality social credits, if civic participation or contribution is not maintained for an extended period, the quality of those credits will begin to decline.

### ***Can We Anticipate Moral Hazards, System Gaming or other Unintended Consequences?***

First we have penalties that are inescapable, directly impacting social credits themselves. For more systemic problems, entire communities could put themselves at risk due to the linkage between social credits and common property shares. So although it may certainly be possible to temporarily manipulate the availability or quality of opportunities and outcomes, other mechanisms (direct democracy, citizens councils, technocratic administrators, competing for-profit and non-profit enterprises, etc.) will very likely discourage or adjust such situations. Indeed, as seems to have been evident in the Polis of Ancient Greece, the very ethos encouraged by direct civic participation and responsibility, along with the moral maturity that necessarily sustains Level 7 proposals, will hopefully short-circuit any flagrant abuses.

Lastly, it should be noted that this social credits system does not at all imitate the recent developments in China. For one, variations in quantity and quality of credits are not made by any central authority, nor do reductions in credit privileges aim to restrict basic freedoms (of travel, etc.) as they do in China. Rather than an autocratic Big Brother tallying every citizen's actions, accountability rests mainly with communities, and recipients can easily appeal any decision. More importantly, the intent of social credits in Level 7 is first and foremost for universal “supportive means to maintain liberties” (see [The Goldilocks Zone of Integral Liberty](#) for elaborations of this concept), rather than what in China appears to primarily be a tool that coerces conformance. In this way, Level 7 social credits are mainly about a workable substitute for Universal Basic Income.



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## Enlisting the Wealthiest Elite to Become Change Agents

Why is this so critical? Mainly because past efforts to reform political economies have resorted to expropriation - forcefully taking the assets of owner-shareholders and redistributing them. Humanity has had a violent history of revolution in this regard. Instead, the approach outlined here is attempt to recruit elite change agents who voluntarily restructure their wealth and ownership as a consequence of persuasion, education and the rule of law. In essence this is a *revolution of moral maturity* that inspires constructive change.

Here are some thoughts about enlisting the wealthiest elite to become change agents....

***The Transitional Role of The Wealthy*** (From [The Goldilocks Zone of Integral Liberty](#))

Yet another chicken-and-egg dilemma also presents itself: How can we provide a robust “universal social backbone” without relying on either an oversized federal government or equally gargantuan for-profit corporations? And how could we

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engineer graduated incentives and disincentives for the foundations of liberty when there is reflexive and aggressive resistance to doing so from all-of-the-above...? To answer the first question, we will need to concurrently develop robust *participatory mechanisms* outlined in the next section. To answer the second, let's return for a moment to Aristotle (*Politics*, Book VI, Part V):

"Yet the true friend of the people should see that they be not too poor, for extreme poverty lowers the character of the democracy; measures therefore should be taken which will give them lasting prosperity; and as this is equally the interest of all classes, the proceeds of the public revenues should be accumulated and distributed among its poor, if possible, in such quantities as may enable them to purchase a little farm, or, at any rate, make a beginning in trade or husbandry. And if this benevolence cannot be extended to all, money should be distributed in turn according to tribes or other divisions, and in the meantime the rich should pay the fee for the attendance of the poor at the necessary assemblies; and should in return be excused from useless public services. By administering the state in this spirit the Carthaginians retain the affections of the people; their policy is from time to time to send some of them into their dependent towns, where they grow rich. It is also worthy of a generous and sensible nobility to divide the poor amongst them, and give them the means of going to work. The example of the people of Tarentum is also well deserving of imitation, for, by sharing the use of their own property with the poor, they gain their goodwill. Moreover, they divide all their offices into two classes, some of them being elected by vote, the others by lot; the latter, that the people may participate in them, and the former, that the state may be better administered. A like result may be gained by dividing the same offices, so as to have two classes of magistrates, one chosen by vote, the other by lot."

If the nobles of ancient Carthage and Tarentum could voluntarily share their wealth and political power, then part of the solution is today's elite volunteering along similar lines – in this case within a much more complex environment and with new technologies and tools, but with similar intent. If the wealthiest members of today's society jointly agreed to support the formation of a "universal social backbone" and propagate new memplexes that prioritize the foundations of liberty, this would not only remove barriers to engineering a freer society, but accelerate its reification. One of the more beneficial *interobjective systems, conditions and artifacts* would therefore be an organized commitment from the established elite to sustain this transition. Consider, for example, if the world's most influential think tanks, affiliations and families were to adopt the attenuation or eradication of *all variations of poverty* previously alluded to as their primary agenda, and used their extraordinary resources to champion authentic freedom. What greater legacy could there be?

At the same time, top-down approaches tend to fail if they don't coincide with grass-roots activism – for the problem intrinsic to *noblesse oblige* operating in the vacuum of self-referential values arises once again. Instead we must remember what Paulo Freire elegantly articulates in *Pedagogy of the Oppressed* (rev. ed. 1996, p.50-51):

"The oppressed, who have been shaped by the death-affirming climate of oppression, must find through their struggle the way to life-affirming humanization, which does not lie *simply* in having more to eat (although it does involve having more to eat and cannot fail to include this aspect). The oppressed have been destroyed precisely because their situation has reduced them to things. In order to regain their humanity they must cease to be things and fight as men and women. This is a radical requirement. They cannot enter the struggle as objects in order *later* to become human beings.

The struggle begins with men's recognition that they have been destroyed. Propaganda, management, manipulation – all arms of domination – cannot be the instruments of their rehumanization. The only effective instrument is a humanizing pedagogy in which the revolutionary leadership establishes a permanent relationship of dialogue with the oppressed. In a humanizing pedagogy the method ceases to be an instrument by which the teachers (in this instance, the revolutionary leadership) can manipulate the students (in this instance, the oppressed), because it expresses

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the consciousness of the students themselves....

...A revolutionary leadership must accordingly practice co-intentional education. Teachers and students (leadership and people), co-intent on reality, are both Subjects, not only in the task of unveiling that reality, and thereby coming to know it critically, but in the task of re-creating that knowledge. As they attain this knowledge of reality through common reflection and action, they discover themselves its permanent re-creators. In this way, the presence of the oppressed in the struggle for their liberation will be what it should be: not pseudo-participation, but committed involvement."

### ***William Godwin's Appeal in "Political Justice"***

Godwin's language seems particularly insightful regarding engaging the elite to help actualize change, and I've excerpted some highlights here:

"The rich and great are far from callous to views of general felicity, when such views are brought before them with that evidence and attraction of which they are susceptible. From one dreadful disadvantage their minds are free. They have not been soured with unrelenting tyranny, or narrowed by the perpetual pressure of distress. They are peculiarly qualified to judge of the emptiness of that pomp and those gratifications, which are always most admired when they are seen from a distance. They will frequently be found considerably indifferent to these things, unless confirmed by habit and rendered inveterate by age. If you show them the attractions of gallantry and magnanimity in resigning them, they will often be resigned without reluctance. Wherever accident of any sort has introduced an active mind, there enterprise is a necessary consequence; and there are few persons so inactive, as to sit down for ever in the supine enjoyment of the indulgences to which they were born. The same spirit that has led forth the young nobility of successive ages to encounter the hardships of a camp, might easily be employed to render them champions of the cause of equality: nor is it to be believed that the circumstance of superior virtue and truth in this latter exertion will be without its effect.

But let us suppose a considerable party of the rich and great to be actuated by no view but to their emolument and ease. It is not difficult to show them, that their interest in this sense will admit of no more than a temperate and yielding resistance. Much no doubt of the future tranquillity or confusion of man kind depends upon the conduct of this party. To them I would say: 'It is in vain for you to fight against truth. It is like endeavouring with the human hand to stop the inroad of the ocean. Retire betimes. Seek your safety in concession. If you will not go over to the standard of political justice, temporise at least with an enemy whom you cannot overcome. Much, inexpressibly much depends upon you. If you be wise, if you be prudent, if you would secure at least your lives and your personal ease amidst the general shipwreck of monopoly and folly, you will be unwilling to irritate and defy. Unless by your rashness, there will be no confusion, no murder, not a drop of blood will be spilt, and you will yourselves be made happy. If you brave the storm and call down every species of odium on your heads, still it is possible, still it is to be hoped that the general tranquillity may be maintained. But, should it prove otherwise, you will have principally to answer for all the consequences that shall ensue.'"

And, from [Escaping the Failures of Capitalism](#):

***Our objective here is the intense encouragement for the ruling elite – especially the wealthiest “behind the scenes” movers and shakers – to support transitional proposals and disengage from state-capitalist activities and influence.***

This is a tough one, mainly because it goes to the heart of the elite’s paranoia regarding a populist uprising – the anticipation of a just reprisal that oppressors always fear from the oppressed – and the elite is, in many ways, very well prepared. Due to their firmly entrenched resistance, self-protective habits and melodramatic paranoia (such as that voiced by Tom Perkins in his January, 2014 *Wall Street Journal* letter), countermeasures in this arena may require disruption to insulated lifestyles, direct appeals to family members, aggressive use of the rule-of-law to increase accountability, and a carefully contrived means of devaluing assets and reducing wealth in order to create leverage and equalize power. Such interventions are likely to provoke draconian responses of the kind we have seen many times in reaction to WTO protests, Occupy encampments, and other forms of civil disobedience. We must remember that the reflex to crack down on populism or increase social controls is always present in a feudalist system, and that a careful review of the Patriot Act, the proposed Patriot Act II (“Domestic Security Enhancement Act”), the recent revelations of overreaching NSA domestic surveillance, the four U.S. citizens killed by U.S. drone attacks, and other such indicators expose the thin veneer of democracy that separates us from an Orwellian spiral. In the same vein, we must also be wary of the coopting of reformist activism, information and education by the wealthy elite in service to their own agendas, as exemplified by the Koch brothers and their ilk molding the Tea Party to their will.

There are of course those among the wealthy elite who already have empathy for the masses, who desire change, and who may already be engaged in transformative efforts. For these a quick primer on the principles found in Paolo Friere’s *Pedagogy of the Oppressed* is a critical educational step, in my view. But regardless of where their sympathies lie, the persuasion of the ruling elite must be planned with extraordinary care, an abundance of empathy, a clear action plan for them to follow once they embrace transition – for example, which efforts to fund, how to constructively use their influence, etc. to aid in the liberation of their fellows and transformation of the political economy. They must become willing and active participants in the realization of a Level 7 vision, not merely hibernating until the storms of change have passed. Of course, for the worst offenders – those who actively strive to elevate and insulate the One Percent in an oligarchic cocoon, resisting all collaborative efforts at humanization – there must also be firmly inescapable consequences if they continue to perpetuate crony capitalism and commercialist corporationism; because of their blindness and the reach of their influence, we cannot allow these few to accelerate negative Darwinian outcomes for the rest of humanity.

Who, specifically, should be the target of these efforts? Here are some starting points that may help with this exploration:

- Compile a list of people on governing boards for large or influential corporations and organizations, and document those who serve on multiple boards (“interlocking directorates”).
- Compile a list of people who attend meetings of the Bilderberg Group.
- Compile a list of all Super PAC founders and officers, and all of the Super PAC top donors.
- Compile a list of top executives and major shareholders of all transnational corporations and their

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subsidiaries.

- Compile a list of top executives and major shareholders of the 100 largest banks in the world (by assets) and their subsidiaries.
- Compile a list of the 1,000 wealthiest individuals on the planet.
- Expand all of these lists to include the friends, regular business associates and family members of the above.
- Cross-reference these lists to indicate individual and group concentrations of associations, wealth and/or direct influence, perhaps using a cumulative point-scoring system.
- Begin by addressing those with the highest cumulative scoring rank, then expand out from there.

You may notice that I did not include politicians in these lists, because elected representatives are in fact elected, and therefore already subject to the will of the people. Clearly, it would be helpful if there were additional electoral mechanisms to easily remove politicians from office whose actions are particularly egregious in enabling plutocracy, and so that may also become a worthwhile goal (for example, [direct democracy referenda](#)). But that is really just scratching the surface of the underlying problem, for politicians – even seemingly powerful world leaders – are really no different than monopoly newscasters or multimedia advertisers in that they too often are just parroting the words and will of their wealthy benefactors.



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## Change in Property Orientation: The Level 7 Property Position

It seems appropriate to quote William Godwin here, who so precisely framed the fundamental problems of acquisitiveness and privatization well in advance of the later critics of consumerism and capitalism:

“Equalization of property cannot begin to assume a fixed appearance in human society, till the sentiment becomes deeply wrought into the mind, that the genuine wants of any man constitute his only just claim to the appropriating any species of commodity. If the general sense of mankind were once so far enlightened, as to produce a perpetual impression of this truth, of so forcible a sort as to be exempt from all objections and doubt, we should look with equal horror and contempt at the idea of any man's accumulating a property he did not want. All the evils that a state of monopoly never fails to engender would stand forward in our minds, together with all the existing happiness that attended upon a state of freedom. **We should feel as much alienation of thought from the consuming uselessly upon ourselves what would be beneficial to another, or from the accumulating property for the purpose of obtaining some kind of ascendancy over the mind of our neighbours, as we now feel from the commission of murder.** No man will dispute, that a state of equal property once established, would greatly diminish the evil propensities of man.”

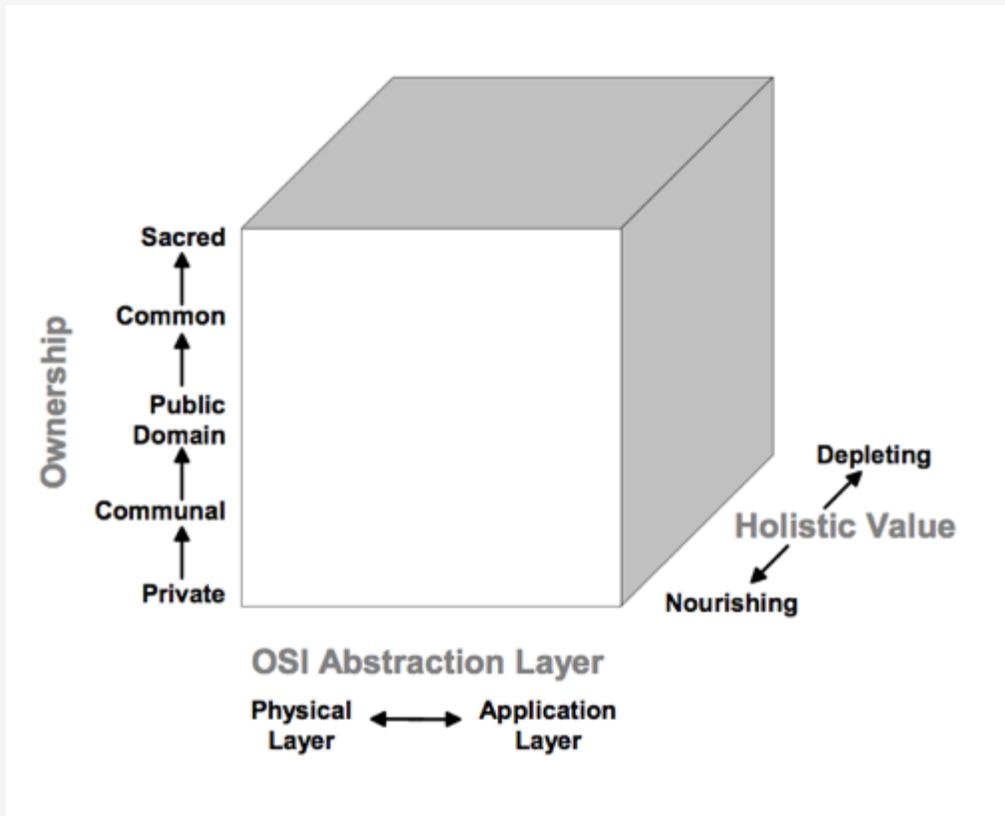
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(From the essay "Political Justice," with my own emphasis added)

For further background, please also consider perusing [The Tyranny of Private Property](#) page if you haven't already done so.

And here is a detailed discussion of a Level 7 solution, from [Political Economy and the Unitive Principle...](#)

### *Getting a Handle on Property*



Since political economy is such an expansive topic, we'll need some pretty hefty containers to sort it into digestible bits. In the past I have begun with an overview of Integral Lifework's twelve nourishment dimensions, then expanded out from there. But that doesn't work well for this exercise, and in fact I've been looking for ways to get a handle on political economy for a long time. Thankfully, I stumbled across an article by Carol M. Rose, "Romans, Roads, and Romantic Creators: Traditions of Public Property in the Information Age," that provided an *aha* moment about how to begin, and that is through a thoughtful categorization of property. Since that beginning, a cascade of insights and correlations have fit neatly into a *property matrix* that will hopefully allow us to organize property in a still more comprehensive way. So first we'll borrow a few terms from ancient Rome that were used in property law, mix in some layering concepts from Open Systems, add a property valuation strategy, then ferment this concoction within the multidimensional nourishment of Integral Lifework.

To begin, here are seven terms in Roman law that described different forms of property and ownership, which for the most part have endured in legal concepts in the U.S. and elsewhere:

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- **Res nullius:** Something that could be owned, but as of yet is not. *Potential property.*
- **Res privata:** Something that is privately owned. *Private property.*
- **Res universitatis:** Property owned by an exclusive community for that community's benefit. *Communal property.*
- **Res publica:** Property that could be owned (privatized) by anyone, but which is reserved for collective public use. Since this public benefit is usually enforced by the state, res publica is often associated with state oversight. *Public domain property.*
- **Res communes:** Something tangible that cannot be exclusively owned by anyone, mainly because of its boundaryless nature. For example, the air, or the oceans. *Common property.*
- **Res divini juris:** Something tangible that could be owned, but should not be owned because it is considered sacred. *Sacred property.*
- **Ferae naturae:** *Wild things.*

Apart from its *ownership* categorization, there is also a specific functional layer that different types of property inhabit. This is hinted at in a differentiation between tangible and intangible property, but this is an inadequate distinction. Instead, I'd like to apply something from my career in Information Technology: the Open Systems Interconnection (OSI) Model. In that model, all components of a network fit neatly into different layers, each having a unique and predictable function and scope (that is, the environment in which that function happens). Here is what these layers could represent as property designations:

- **Physical layer:** Tangible forms of property that are usually immovable and inert. For example: land, buildings.
- **Data Link layer:** Tangible forms of property that are usually immovable, and which often facilitate the conveyance of other tangible property. For example: roads, bridges, pipelines.
- **Network layer:** Tangible forms of property that are movable (even if temporarily immovable), and which may, by their nature, be able to contain and convey different layers of property. For example: vehicles, recording devices, communication and electrical lines, broadcast and relay antennas, computers, human beings, plants and animals, other living organisms.
- **Transport layer:** Property existing on the cusp between tangible and intangible, and which often acts as a conveyance medium for higher layer intangible property. For example: electricity, the electromagnetic spectrum, sound waves, psychoactive chemicals, the atmosphere.
- **Session layer:** Slightly more abstract intangible property that tends to be the nexus where all other layers intersect. For example: all creations of the mind, from fine art and inventions to philosophy and religion.
- **Presentation layer:** One more layer of abstraction and sophistication for intangible property, which tends to be intimately involved in creating lower property layers, and/or providing a context for the *application layer* to interact with those lower layers. For example: language, intelligence (human, animal or artificial), perception.
- **Application layer:** The most abstract and intangible forms of property, so far removed from the material world that their existence may be challenged and their contribution questioned, but which nevertheless seem both dependent on, and able to create, lower layers of property. For example: Ideas, feelings, memes...and perhaps karma, spirit and soul.

What is happening here? From one angle, we could say that this is simply a changing scope of property function. But from

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another, what we are really observing is the complexification and *abstraction* of property itself. This evolution appears to be one of the consequences of advancing human civilization and expanding consciousness, and there is a suggestion that as we have progressed through the industrial and information revolutions, the tendency has been for larger and larger swaths of property to function in the more abstract OSI layers. However, these layers are strictly and hierarchically dependent, for without the *physical layer* there could be no *network layer*, without the *network layer* there could be no *transport layer*, and so on. And dependences travel in the opposite direction as well, for the *application layer* leads to the ongoing creation of the *presentation layer*, and the *presentation layer* leads to the creation of the *session layer*. In many ways, this *abstraction* and complexification of property has made it increasingly challenging to assign property via the classic Roman *ownership* categories. That hasn't discouraged attempts to do so, via our legal system and emerging social mores, but a lot of cultural tension seems to be generated around the speed with which property within more abstract layers is being created and exchanged, regardless of the prevailing political economy.

### ***Holistic Value***

And finally we require one more axis of the *property matrix*, and that is the *valuation* of property. Exchange value isn't really relevant here, mainly because the different approaches to political economy, and subjectively perceived levels of scarcity or abundance, will determine different exchange calculations. Part of what does matter to us here is use value, as calculated not just in practical utility (such as electricity) but also in the more theoretical sense of cultural capital. We might say that use value in this context is the aggregate of our active desire for something, the objective dependence on something even if it is not desired, and how something is socially esteemed within a given network, all included in a scatter plot across a given collective. However, all of these end up being somewhat interchangeable in terms of use value. For example, every household depends on water, but in one household water is greatly esteemed and conserved because of the cultural capital resulting from "being water conscious." Yet in another home water is highly desired, but not conserved at all, creating a similar use value via an alternate calculation. In still another household, where the family prefers to bathe in milk, drink only champagne and send out all their cloths to the cleaners, water may not be consciously esteemed or desired, but it is still in demand, a necessity one step removed, because the cows, grapes and professional washing machines all use water to produce the desired products and services. There will be countless instances where the perception of use value varies from one culture to the next, or even from one person to the next within a culture, with additional variability over time, so the aggregate of esteemed, desired and dependent utility begins to point us toward what may at least be a way to calculate an intersubjective use value.

However, this still isn't a sufficiently well-rounded method of valuation. I would like to add one more factor, and that is how skillfully property contributes to effective, balanced nourishment. What I mean by "effective, balanced nourishment" will become clear when we discuss the twelve nourishment centers later on, but what I am really trying to do here is add a vast, usually hidden repository of externalities to the calculation. For example, if water is polluted with toxins and carcinogens, then its use value is greatly reduced. This is not because someone who consumes the water knows anything about these toxins and carcinogens, it is instead a measurement of the additional costs required to offset these health dangers, either through treating people who get sick, treating the water so it becomes safe, or correcting the industrial practices that led to the pollution in the first place. When we combine such externalities with intersubjective use value calculations, we realize that any property that invites a widespread expectation of safe nourishment (such as water, food, air, etc.) has very high *holistic value*. So we see that quality supersedes quantity in such calculations; it does not matter if water is abundant, if that water is not safely consumable. In this way we redefine scarcity, because within *holistic value*,

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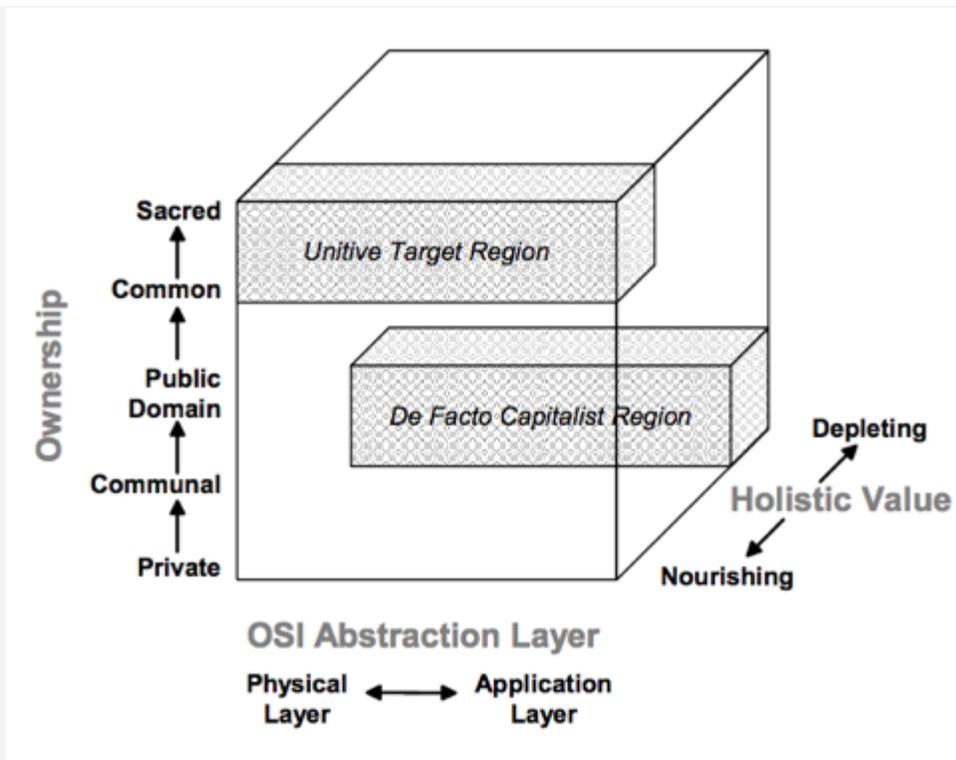
scarce quantity is equivalent to scarce (or difficult) quality.

There are of course instances in which we find an inverse relationship between "value" as defined in this way and either its perceived use value, or its actual exchange value in a given economy. This is what we might call *perverse utility*. An obvious example would be highly addictive, ultimately lethal drugs and drug delivery systems. If we used only one use factor, such as subjective desirability, we might arrive at a high perceived use value, and often a correspondingly high exchange value. But when we add effective and balanced nourishment to the equation, our new method of valuation quickly pushes something like cigarettes into the negative. At the opposite extreme, fast food with a low exchange value may nevertheless hold a high perceived use value, especially for people with little time to eat or a strong predilection for sugar, salt and fat. But if this food isn't nutritious, and in fact leads to many illnesses and premature death, then by any standard of effective, balanced nourishment this food ends up having a lower *holistic value*. Thus esteemed, desired and dependent utility must be balanced against property's contribution to nourishment, so that by understanding these complex relationships we can estimate a more practical valuation of all property. Exactly why a more well-rounded valuation is important will become obvious by the end of this book.

Taking these three axes together, we have the vertical axis of *ownership*, the horizontal axis of *abstraction*, and the depth axis of *holistic value*. With these we can plot the position of property in any context in a three-dimensional way. The evaluation of *property position* within this matrix has nifty utility in any discussion where politics, culture and economics intersect, so we'll be relying on it both to elaborate on existing institutions and systems, and to describe potential departures from the status quo. In our case, the notion of "property" will expand even into aspects of the political process itself; in fact we may need to stretch the metaphor to its limits. As for the concept of *personal* property, that will for the most part be excluded from this discussion, though its existence is both assumed and implied throughout as an inherent extension of personal freedom.

When viewing political economies through the *property matrix* lens, what quickly becomes evident is that nearly all of them insist on controlling property through its position in the matrix. For example, even among anarchist ideals that reject authoritarian controls, *property position* is one of the persisting agreements without which anarchism could not function as proposed. How *property position* is enforced may vary among different anarchist proposals, and the institutions of enforcement may be more decentralized, but the fact is that some sort of force must of necessity be used to extend primary assumptions and preferences about property into a functional system, as well as to maintain that system over time. So regardless of what approach we take, and no matter how egalitarian or democratic our economic and political systems are, the mechanism of *property position* enforcement becomes central to its practicality and durability. Even if we advocate that all property should remain *common*, or that we should emphasize and celebrate property with a high *holistic value*, this assignment must persist in collective agreement, or it is just a fairy tale. So, once again, we arrive at that critical distinction between collective responsibility and individual freedom, for there will always be divergent opinions about where property should be located within the *property matrix*, either as the main focus of collective production or consumption, or as a privilege of individual accessibility or ownership.

### ***Unitive Property Positioning***



Where the previous descriptions of advancing moral sophistication were about relating self-to-other, the progression described here concerns the relating of self-to-property. As with self-to-other relationships, self-to-property relationships also become more and more inclusive until dynamic unity is achieved; thus we can perceive a *unitive principle* for both types of relationship. Is there an empirical means of testing the accuracy of such correlations? There may be, but right now this is mainly a grand hypothesis derived from observations, mystical practices, the writings of philosophers, and the teachings of a broad spectrum of spiritual traditions. Among my observations of relationships (in everything from managing employees to mediating disputes to counseling couples), shared values identification, along with an awareness of different perceptions or perspectives around common experiences, leads to greater empathy, mutual compassion and understanding. The predictable expansion of self-identity to include others (or at least certain aspects of others) in these contexts inherently produces greater information and resource sharing; it is an almost automatic consequence of a reconciliation and interpersonal investment process. In mystical practice - that is, the routine and disciplined activation of mystical perception-cognition - unitive insights and a gradual letting go of egoic selfhood routinely reinforce these same compassionate and generous orientations towards others. And so it should come as no surprise that, among the world's greatest spiritual traditions, the reliable demonstration of spiritual maturity always includes letting go of willful selfishness, a greater commitment to helping others, a collectivizing of resources, and a resolute departure from acquisitive patterns of thought and behavior.

The OSI layers of functional *abstraction* were barely touched upon here, mainly because each function has less to do with moral evolution, and more to do with technological advancement. It seems probable, however, that if technology advances along with morality, the *unitive principle* will be reflected here as well. That is, the OSI layers themselves will begin to integrate and merge, until there is less and less differentiation between the most abstract and intangible, and the most tangible and concrete. We can imagine a distant future in which the human mind, body, heart and spirit no longer perceives itself as separate from either Nature or humanly created things; where we are unified with existence, and all of existence is unified with itself, so that we are no longer acting upon that existence, but as part of its energy and flow.

Can we apply the *unitive principle* to political systems and institutions? I think we can, simply by observing how different political approaches organize decision-making authority according to the same levels of moral function. We can even rely on the same *ownership* categorizations and *holistic value* calculations, substituting the control of property with the control of "decision-making authority," then include *holistic value* in that process just as we did for property valuation and exchange. And thus we arrive at the most intimate kernel of the individual freedom vs. collective responsibility dynamic. In more advanced and sophisticated orientations, [moral creativity](#) equates the two. That is the political expression of the *unitive principle*: as our morality evolves, any intention, decision, action or social structure that facilitates individual freedom is increasingly enabled through collective responsibility, and any intention, decision, action or social structure that establishes collective responsibility is grounded in a profound appreciation individual freedom and its routine reification. Thus, in the unitive frame, individual freedom is always a collective responsibility.

This equation is evident in the transition from childhood to adulthood in virtually all cultures. Why do we sacrifice some small portion of personal freedom when we enter a committed romantic relationship? Out of love for our partner. Why do we sacrifice a bit more latitude in available choices when we have children? Out of love for our children. Why do we agree to sacrifice a weekend to help a friend who is ill, or relocating, or getting married? Because we love our friends. And why do we, if we are indeed morally mature, sacrifice a handful of additional options in our personal actions when we conform to society's rule of law? Because we love our fellow citizens. An immature person might do all of these things out of fear of abandonment or rejection, or out of a mistrustful attempt to gain advantage, or out of a guilt-ridden sense of obligation, or because they are afraid of being punished for disobeying the law. But a mature person is grounded in affectionate compassion for an ever-enlarging sphere of interconnected awareness, and thus their heart grows to include more and more beyond the tiny, egoic self. It is the tiny, egoic self, after all, that conceives of freedom as being able to do anything we want, without regard to the impact of our actions on the world around us.

This leads us to a more comprehensive view of why Aristotle is convinced that a virtuous person *acts for their friend's sake, and sacrifices their own interest...even if no one knows about it*. As previously alluded to, the breadth of moral creativity guided by such an assumption extends far beyond a few legalistic dos and don'ts, and into a high plane of insightful wisdom about how best to love and serve our fellow human beings. The aim of a morally mature society is to establish a world in which loving, nourishing, enriching actions are supported and augmented through collective agreement, by all and for all. It is a society in which "just, humble, kind, generous, judicious, self-controlled acts that benefit of others without expectation of reciprocation or reward" are the tacitly understood and explicitly celebrated aim. It is the fundamental, unshakeable belief that all human beings can pass through a self-absorbed childhood into an empowered, capable, caring adulthood where *agape* becomes a natural reflex. And it is the appreciation that humanity is passing through a vast ocean of transformation for a reason - even if that reason is only a process of growing up as individuals, as a cohesive society, as a proud species of planet Earth, or as a contributive consciousness to the Universe itself.





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## Egalitarian Efficiency

[Pareto Efficiency](#) describes a state of allocation of resources where "it is impossible to make any one individual better off without making at least one individual worse off." Egalitarian efficiency, on the other hand, describes an allocation of resources where there is both *equality of opportunity* and *equality of outcome* for all individuals. How is this possible? It is possible because both opportunities and outcomes are in constant fluctuation and adjustment - in terms of their availability and duration - so that everyone ultimately can benefit to the same extent over a given period of time. In other words, we could say that everyone will experience an equal outcome to the experiences of others *at some point in time*, but not necessarily at the *same point in time*. Group A will experience certain privileges or benefits while Group B does not, then Group B will experience those benefits and privileges while Group A does not. In egalitarian-efficient systems, nothing becomes an imposed static state, but rather a targeted dynamic that is facilitated by various checks-and-balances. In the case of Level 7 proposals, these include the social credits system, direct democracy implementations, worker-ownership of enterprises, money backed by common property shares, community NGOs, and so forth. Only if all of these components act together in a harmonized and mutually supportive way will equality of opportunity and equality of outcome be sustainable - as an-ebb-and-flow - over time. And if they don't for some reason? Well that is where these same

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mechanisms can be relied upon to remedy imbalances and inequality. This is part of what a “breathing economy” looks like, and is in fact dependent on all the other factors of [sustainable design](#) being reified in the most diffused implementation of democracy, production, administration and regulation possible. I think it is inevitable that the ebb-and-flow of opportunity and outcome will also apply to different communities, regions and nations as a similar long-term balancing act. Again, however, this would be in gentle, often collectively directed cycles of give-and-take with continuous variation and adaptation to different regions - rather than either cookie-cutter top-down solutions imposed by the State, or the lopsided and always inequitable free-for-all generated by the profit motive.



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## Sustainable Design

### *Honoring the Earth - as a Closed Energy System - in a Level 7 Political Economy*

This topic has been carefully thought through by so many prolific and talented folks that I can only tip my hat to them as I organize what I think are important concepts. In particular, the work of Odum, Holmgren and Pogany seem to introduce a harmonious resonance as they point toward both the challenges and solutions of sustainable practices - in terms of food and energy production, collective consumption, a different global economy, globalized modeling and so on. I'd like to thank David Macleod (see <https://integralpermaculture.wordpress.com/about/> and search for David's articles on <http://www.resilience.org>) for introducing me to many of these resources, as well as his own informative insights and encouragement in this area.

Here then are a few highlights regarding peak oil demand, Permaculture, Pogany's "Global System 3," and other ideas that I find compelling, tailored or reworked with some of my own language:

- **Environmental Consciousness** - It must become a given (via the [unitive principle and its expression in cultural development](#)) that human beings see their relationship with the Earth and all its ecosystems as cooperative and mutually supportive, rather than exploitative and anthropocentric.
- **Eco-Synergistic Energy** - The operational assumption that we have already passed the point of being able to rely on cheap fossil fuels for energy production, and that we need to shift rapidly to energy production that works with Nature (and in fact imitates it) instead of consuming natural resources. Intrinsic to this approach will be a fundamental commitment to high quality energy storage, and ideally one that replicates and/or interacts with biological systems.
- **A “Breathing” Economy** - Embracing economic rhythms that are much closer to a cyclical steady-state than more growth-dependent boom and bust.
- **Zero Population Growth** - A deliberate and perpetual reduction in fertility rates to minimize human impact on the planet.
- **Radical Reduction in Consumption** - Not just in terms of waste and recycling, but in aggressively attenuating a consumer mentality that drives overconsumption and overproduction.
- **Create or Enhance Mutually Supportive Systemic Relationships** - Instead of segregating and isolating functions, technologies, systems, individuals and communities (i.e. the “silo effect”), integrate them in mutually supportive ways. Along the same lines, observing where ecological patterns and human patterns (cultural, behavioral, economic, etc.) intersect in constructive, mutually supportive ways can offer fruitful insights for praxis.
- **Support Diversity’s Ascension Over Homogenization, and Celebrate “Small and Slow”** - This harmonizes with the [subsidiarity principle](#), with the aim of distributed inter-reliance rather than centralized concentration or large-scale homogenization of resources, production, etc.
- **Encourage Community Self-Regulation** - Consult [Elinor Ostrom’s CPRM approach](#) regarding this.

I would only add that without a concert of approaches such as all those suggested for a Level 7 political economy on this site, such efforts at sustainability will inevitably fall short. For example, capitalism itself - in its current form - is simply too powerful of a juggernaut to achieve meaningfully sustainable practices; commercialistic corporationism will always undermine efforts at sustainability in order to drive the frenetic growth upon which it relies.



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## Revolutionary Integrity: Chaotic Transitions vs. Compassionate Transformation

Really this is an extension of [functional intelligence](#) as it applies to collective action.

(Excerpted from the [Blurts & Spasms](#) Blog)

There is a potent mythology circulating within our modern Zeitgeist that revolutionary transitions must be chaotic, disruptive and destructive. I think this is a mistaken assumption, but it is grounded in reliable observations and experiences that permeate history, psychology, biology, spirituality, politics and personal growth. First we can take a look at those evidences, and then some alternative examples from which we can discern a more sensible course for constructive change.

Where did this investment in chaotic transitions come from? Here are a few of the enduring memes circulating today:

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- From ancient times, the Greek, Judeo-Christian, Hindu and other mythological metaphors of violent destruction and rebirth: the fiery rebirth of the Phoenix; the death, burial and resurrection of Christ (and other “dying-and-rising God” narratives – see [Dying-and-Rising-God](#)); the [Great Flood myths](#); and the trials and temptations of the [Hero's Journey \(Campbell\)](#); the chaotic End Times scenarios from various spiritual traditions, etc.
- Milton Friedman’s theory that, in order to implement a new policy or system, one must engineer an economic and/or political crises, accelerate a nascent crisis, or simply take advantage of a crisis in process at a regional, national or international level. Friedman demonstrated the effectiveness of this approach in different countries during his lifetime in order to promote a neoliberal ideology. Naomi Klein’s book *The Shock Doctrine: The Rise of Disaster Capitalism* explores this process in vivid detail.
- Clear evidence that, in natural ecosystems, death is a necessary component of ongoing viability: one species will routinely consume another; parents must die for their offspring to flourish; evolutionary adaptation generally follows a fitness advantage passed on and refined in subsequent generations; and so on.
- The belief embodied in many spiritual traditions that each individual must relinquish a sense of self-importance or ego-identity in order to grow spiritually; a “death-to-self,” obliteration of individual ego, or realization of “no-self” is a necessary component of spiritual maturity.
- “Hitting bottom” in the Twelve-Step tradition. In this view of addiction and recovery, a person’s self-destructive behaviors must first produce substantive and irrefutable damage in their lives before they will consider seeking help or beginning the road to recovery.
- The observations of historians, philosophers and economists that cultural revolutions and societal advancements throughout history have been facilitated by highly volatile historical circumstances, rebellious grass-roots movements, new information or disruptive technologies. From religious wars to new economic systems to new forms of government to advances in individual and collective freedoms, turmoil seems to have been a reliable precursor for change.

However, I think this widespread assumption that chaotic transitions are inevitable is no longer as reliable as it perhaps once was. There are a number of reasons for this, and here are what I believe to be the most important ones:

- **Superagency** – Individually and collectively, humanity has exponentially increased its power through communication, transportation, industrialization, militarization and other technology. This has an amplifying effect on both deliberate outcomes and unanticipated ones, so that each personal, regional and cultural choice produces an enormous cascade of enduring consequences. In this context, previous patterns of death and rebirth cannot apply; the scope and reach of human will have now obliterated any Phoenix opportunity. And as our technology and population footprint expands, compassionate transformation must replace chaotic transitions as our standard of change – or the human species and possibly even the Earth itself are not likely to survive.

- **Exponential Complexity** – This is close kin to superagency in terms of its impact on change. The level of complexity with which the modern world operates – and upon which an ever-increasing number of human beings rely for existence – has surpassed the level of any of the take-down-and-rebuild upheaval witnessed by previous eras. Our systems of commerce, resource distribution, healthcare, global transportation, energy, food production, education, research, innovation and just about everything else require extraordinary coordination, standards-based planning and specialized skillsets to implement and maintain. Rebuilding such complexity in a new form from the ashes of chaotic collapse is simply unrealistic and naïve.
- **Strong Evidence for Alternative Approaches** – For me this begins at the individual level, witnessing how client-based psychotherapy grounded in trusting relationships are so much more successful than confrontation groups or highly directive approaches; because empowering the client allows them to heal themselves and keep using tools to maintain their own well-being. In organizations, I have witnessed firsthand the constructive impact of shifting from top-down management styles to more inclusive, bottom-up decision-making as the result of a voluntary choice to empower workers – and of course this has been documented in many places (see [https://en.wikipedia.org/wiki/Workplace\\_democracy](https://en.wikipedia.org/wiki/Workplace_democracy)). Elinor Ostrom's research on Common Pool Resource Management schemas arising organically around the globe also has demonstrated the viability of bottom-up, collective decision-making. On larger scales, throughout recorded history we have successful nonviolent movements in many countries (see [Nonviolent Resistance](#) and [Nonviolent Revolution](#)). Although the outcomes often involve compromise, nonviolent approaches have provided a more fluid avenue to healing and reconciliation among opposing viewpoints (for more information on nonviolent action, visit <http://www.aeinstein.org/>). And finally we have the evidence of state initiatives and referenda in the U.S., and of a more pervasive direct democracy in Switzerland at all levels of government, which came about without a single riot or drop of blood.

In my own efforts to envision and reify positive change on many different levels, I have sought to explore and embody transformative practices and ideals that are fundamentally constructive, additive and synergistic – a multidialectical synthesis rather than an inherently dominating or destructive process. Which is why I am calling this compassionate transformation. It involves these primary components, the details of which are discussed in more detail throughout my writings about [Integral Lifework](#):

- An acknowledgement of personal responsibility, consciousness and planning to bring about constructive change; a commitment to personal agency must supersede reliance on institutional agency or externalized dependence – which ultimately lead to disconnection, apathy and self-disempowerment.
- The persistent guiding intentionality to work toward outcomes that provide the greatest good, for the greatest number of people, for the greatest duration – doing so skillfully, in ways that acknowledge and support both obvious and obscured interdependence.
- A focus on nourishing, nurturing and strengthening all dimensions of being in ourselves and others, with the primary aim of exercising compassionate affection, but also to encourage moral maturity and higher altitudes of

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individual and collective moral function. Our core strengths, resilience and creativity will issue from these mutually supportive relationships.

- A profound investment in understanding, respecting, including, honoring and celebrating diverse experiences, perspectives, cultural traditions and levels of understanding in all participatory mechanisms, while at the same time integrating them (in the sense of [interculturalism](#)), rather than encouraging isolation or separateness. Here we appreciate our togetherness, necessary interdependence, and uniqueness all-at-once.
- Patience and acceptance with the process of healing, educating and transforming self, family, community and civil society. This will be a difficult challenge. There will be setbacks. All of us are likely to stumble through confusion, loss, distractions and emotional turmoil; there will be internal chaos in the midst of liberation. And the only meaningful answer to this pain is self-directed compassion - *a stubbornly enduring love-consciousness*.

At the same time, I recognize that some things do pass away in the process; the synthesis may sometimes be subtractive regarding previous perspectives, memes, values systems or ideologies. For example, regarding the state of our current political economy, we do need to disrupt the status quo's glamorous spectacle of excess and distraction, built as it is on unsustainable overconsumption and self-absorbed materialism. Together, we must prompt an awakening of conscious participation from our fellow worker-consumers, and definitively end the exploitative reign of owner-shareholders. And yes, this will likely involve attenuation of individualism, acquisitiveness and ego. But it is not necessary to drag "the man behind the curtain" out into the public square and flog him to death, or burn his palace to the ground. We can wreak havoc on the illusion, overturn the bankers' tables, and eliminate complacency and dependency among our fellow citizens...without inducing chaos or a complete breakdown of society. Instead we can remove the curtain, throw open the palace gates, inspire and educate mass movements, and demand pervasive change – all without rancor, murder or rage. The more profound difference between compassionate transformation and chaotic transition in this regard is that our grounding attitude is a *letting go* – a careful, caring and tempered relinquishment of previous patterns, rather than their violent or aggressive destruction, oppression or repression. Passion with compassion; activism with humility. This is not passive by any means, but accepting, supportive, nonjudgmental and active from a place of loving kindness; it just invites the same collective participation it designs into reforms, and doesn't excuse itself to lord it over others "for their own good."

This combination of reasoning is what led me to promote what I call revolutionary integrity. Many throughout recent history, from Gandhi to Friere to Martin Luther King, have expressed the intuitive logic of embodying the values one desires for the future in the current modes of revolutionary action. Carl Boggs, Wini Breines and others wrote extensively about this idea with respect to sociopolitical movements of the sixties and seventies, describing it as [prefigurative politics](#). Many years earlier, Ralph W. Sockman said this about the issue: "Be careful that victories do not carry the seed of future defeats." And long before this, a rebel from Nazarus told his overzealous disciple: "Put your sword back into its place. For all who take the sword will perish by the sword." So this is really the core of what revolutionary integrity is about: we are just amplifying the assumption that, if we don't embody our values in a transformational process, we will in fact sabotage the outcome. *The means must embody the ends*. There will be re-synthesis and adjustment along the way – that is obvious, as

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ideological and methodological purity almost always obstruct common sense solutions – but this does not mean that our quality of dialogue, standards of ethics, the vision towards which our incremental steps lead, the intensity of compassion with which we regard all participants, or the humility by which we relinquish personal opportunities at power for the common good will ever be compromised in any way. But if we insist that crisis is a necessary precondition for change, we will be inviting crisis to be an integral part of whatever new systems we invent.

In a very real sense, our lingering attachment to the idea of chaotic transitions is a substantive impediment to collective progress. It is a sign of our vestigial attachment to patterns of behavior which probably made sense when ancient tribes found themselves under constant threat of conflict, resource scarcity, existential uncertainty and violent power struggles. It is much like an abusive family's expectation that all their communication and emotion be mired in excessive drama; or how a codependently enmeshed couple might catastrophize all disagreements and disconnections; or how someone with a personality disorder might threaten to commit suicide if someone doesn't return their phone call. And perhaps it will take a generation or two of promoting holistic, multidimensional nourishment, healing from trauma, breaking familial cycles of abuse, and relaxing PTSD-like cultural reflexes in order to fully open ourselves up to more complete and effective ways of compassionately being. But I sincerely believe that is exactly what we need to do to both envision an egalitarian, thriving future for humanity, and to actualize it.

(**Note:** Interestingly, I think this very issue is what [Open Marxism](#) seeks to remedy with respect to Marx's own errors around revolutionary integrity.)

### ***Further Discussion (from [Political Economy and the Unitive Principle](#))***

"...How can we structure political economy to reflect more sophisticated moral orientations, and entice a population with diverse levels of development to consistently participate? It seems to me that we are faced with three choices:

1. Dismantle the current status quo and replace it with either an unproven ideal - or an experimental ideal that has had limited real-world testing - which embodies a higher expectation of moral function and disables rewards for unsophisticated moral strata. This would be built from the ground up with new systems and institutions. We might call this *radical revolution*.
2. Make major structural and systemic changes to the current status quo, with an aim to contain influences from lower moral valuation strata and support higher levels of moral function. We could achieve this by substantially reshaping existing systems and institutions with ideals that have either had limited real-world testing, and/or are experimental pilot programs. We might call this *rapid systemic reform*.
3. Make microadjustments within the current status quo that incentivize more sophisticated moral function, and penalize or otherwise restrict function in the lowest moral strata, using existing mechanisms and institutions. We might call this *incremental adjustment*.

In discussing these choices, there are a few underlying assumptions that history instructs us to maintain. The first is that whatever change is desired, it cannot be imposed authoritatively from the top down - change agency must be democratically supported, and democratically maintained over time, in order to succeed. The rule of law remains important to restrict those outliers who still revel in lower moral strata, but the ideal relationship between government and populace would be the mutual championing of agreed-upon ideals. The second assumption is that, for any substantive shift to endure, a fair bit more than half of an electorate must continually support it; this is true in direct democracies, distributed democratic systems, and representative democracies. The third assumption is that a clear understanding of existing problems with the status quo, and a clear vision for what will replace it, *become common knowledge in the general populace*. The fourth is that different variations of any solution will of necessity be tailored for different populations by those populations, depending on economic status, resource availability, current level of collective moral function, educational sophistication, cultural traditions and so on. And finally, it must also be appreciated by everyone involved in the transformation process that there will be vigorous resistance from two predictable minorities: the current elite power brokers in society, and those whose native conservatism mistrusts all change.

Regarding the three options for change, it seems to me that our choice will depend in large part on the perceived urgency for transformation, the intensity of coordinated resistance to change, and the distance between where in the moral spectrum the current status quo operates, and where the democratic majority desires it to be. In the U.S., the frustration with the status quo has been exacerbated by growing concern that if something isn't done soon, the destructive impacts of market-centric, feudalistic capitalism on both the planet and societal cohesion will be irreversible. For folks who also believe that oligarchic resistance to such change is far too entrenched and powerful for any other approach, *radical revolution* becomes the only viable option. For other Americans, whose sense of urgency is lessened by pleasurable distractions or a more muted perception of both risks and the entrenchment of power, *incremental adjustment* seems like an acceptable choice. This perspective has been reinforced by progressive policies like the Affordable Care Act, which seem to indicate that *incremental adjustment* is actually occurring. In addition, there are already well-developed visions, such as "social democracy," that conform to an incremental ideal.

In my view, for the U.S. at least, the most responsible choice is the middle way of *rapid systemic reform*. Why? For one, the urgency is indeed great, as the tipping point for environmental disruption and collapse on a global scale is either rapidly approaching or is already underway, and the cultural destruction resulting from market-centric mechanisms continues to amplify itself on a global scale. For another, the tenor of elite resistance has occasionally become less confident, and somewhat desperate and shrill, whenever the cultural momentum away from commercialist corporationism becomes more pronounced. And, as we saw in the 2008 and 2012 presidential elections, the seeds of a more developed [moral creativity](#) are already present in a majority of the electorate. But why not *radical revolution*? Well, I would say that if *rapid systemic reform* fails, *radical revolution* is all that remains. But I view that as a final option, held in reserve, because of the potential disruption to the well-being of millions, perhaps billions of people that such a tumultuous transition would undoubtedly entail. At least, that is what history teaches us about such revolutions. There is also the question of whether any means justifies an end, or if the means is itself indicative of how the end will manifest; in other

## L7 Revolutionary Integrity

words, that a violent revolt will just lead to a violently repressive regime, or that top-down imposition of liberation from state-centric controls just leads to a new menu of new state-centric controls. We must take pains, it seems to me, to differentiate fierceness of our love from the fierceness of our ego, as the latter is sure to pollute the former. Although I can understand the ends-justifies-means reasoning championed by Alinsky and others, I believe there is a more effective balance to be struck. For example, I was impressed to witness the methods and general tone of the Occupy Movement, and still have faith that such an effort could, under the right conditions and with clearer objectives, induce meaningful change. Regardless, at the present time we have a window - albeit a window that is rapidly closing - to attempt an authentic middle way."



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## The Pilot Principle

This concept is obvious enough in a change management context that it shouldn't require much elaboration - unfortunately, it is all-too-rarely implemented in political and economic environments charged with narrow, often polarized special interest agendas.

Basically the idea here is that all new ideas, policies, projects, programs and changes be tested on a small scale prior to larger scale implementations - as proof-of-concept, to work out any unforeseen bugs, assess efficacy and get feedback from stakeholders. It's really that simple. The duration of a pilot should be long enough to collect good data - I should think a year or more for most community-level experiments. It may also make sense to begin a small number of pilots in different regions to test the concept in varied environments. The key of course is to have specific metrics to track whether outcomes match up with expectations - and whether any unintended consequences seem to be manifesting. If things are looking good at the end of the initial pilot, it's time for a wider implementation/replication of the pilot program with whatever adjustments seem prudent, with more metrics and more data, amplifying the scale, accuracy and complexity of the feedback loop across diverse environments.

In a way, the piloting and measuring should never really end - the scope of the pilot will just get larger and the duration longer. But the metrics need to continue to be in play, with adjustments made continually until a better idea comes along. At which point the small pilots can begin again...and replicate, be assessed, expand, etc.



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### Example: Warren D. Smith's Splitline Redistricting Algorithm

(Used with Permission of Warren D. Smith)

#### Summary:

- Start with the boundary outline of the state.
- Let  $N=A+B$  where A and B are as nearly equal whole numbers as possible.  
(For example,  $7=4+3$ . More precisely,  $A = \lceil N/2 \rceil$ ,  $B = \lfloor N/2 \rfloor$ .)
- Among all possible dividing lines that split the state into two parts with population ratio A:B, choose the *shortest*. (Notes: since the Earth is round, when we say "line" we more precisely mean "great circle." If there is an exact length-tie for "shortest" then break that tie by using the line closest to North-South orientation, and if it's still a tie, then use the Westernmost of the tied dividing lines. "Length" means distance between the two furthest-apart points on the line, that both lie within the district being split.)
- We now have two hemi-states, each to contain a specified number (namely A and B) of districts. Handle

them recursively via the same splitting procedure.

(For additional discussion, maps and a video on this topic, visit <http://rangevoting.org/GerryExamples.html>)

### ***Recursive Formulation:***

Formal recursive formulation of shortest splitline districting algorithm

-----Warren D. Smith-----

```

ShortestSplitLine( State, N ){
If N=1 then output entire state as the district;
A = floor(N/2);
B = ceiling(N/2);
find shortest splitline resulting in A:B pop ratio (breaking ties,
if any, as described in notes);
Use it to split the state into the two HemiStates SA and SB;
ShortestSplitLine( SB, B );
ShortestSplitLine( SA, A );
}

```

---

#### Notes:

1. Since the Earth is round, when we say "line" we more precisely mean "great circle." If there is an exact length-tie for "shortest" then break that tie by using the line closest to North-South orientation, and if it's still a tie, then use the Westernmost of the tied dividing lines.
2. If the state is convex, then a line will always split it into exactly two pieces (each itself convex). However, for nonconvex states, a line could split it into more than two connected pieces e.g. by "cutting off several bumps." (We expect that will occur rarely, but it is certainly mathematically possible.) In either case the splitline's "length" is distance between the two furthest-apart points of the line that both lie within the region being split.
3. If anybody's residence is split in two by one of the splitlines (which would happen, albeit very rarely) then they are automatically declared to lie in the most-western (or if line is EW, then northern) of the two districts.  
(An alternative idea would be to permit such voters to choose which district they want to be in.)

---

## Splitline Algorithm

Example: Want  $N=7$  districts.

Split at top level:  $7 = 4+3$ .

Split at 2nd level:  $7 = (2+2) + (1+2)$ .

Split at 3rd level:  $7 = ((1+1) + (1+1)) + ((1) + (1+1))$ .

result: 7 districts, all exactly equipopulous.



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## Creating Non-Governmental Institutions Focused on Community Engagement

(Portions excerpted from [Blurts & Spasms](#) Blog)

There have been many revolutions throughout history that I think can help us understand how to effectively counter tyranny, oppression and oligarchy. Some by way of positive example, but many more by way of negative example and warning. As recently as the Arab Spring we have both: Tunisia as a positive example, vs. pretty much everywhere else where oppressive conditions are now much worse than they were before the uprising. But in looking at Tunisia, we still see all of the same tensions and pressures that exist in the other Arab countries where the revolution has failed – in fact most Tunisians seem to feel that real progress has been slow. But what was the difference? Why haven't things fallen apart?

Mainly this was due to a handful of Tunisian civic organizations that worked together to broker a compromise between newly elected Islamists, members of the overthrown Ben Ali regime, and other political parties. These civic organizations included the local Human Rights League and General Labor Union, UTICA (Confederation of

Industry, Trade and Handicrafts), and the Order of Lawyers. In other countries, like Egypt, Syria, Libya, Jordan, Algeria and Yemen, such organizations were not strong enough to counter a pervasive tendency to settle disagreements with oppressive and divisive tactics and, in the worst cases, brutal violence. Where in Tunisia the struggle for control remained embedded in democratic processes and dialogue, in these other countries the impulse to dominate and contain any opposition overflowed the bounds of civil society. (see [https://www.nobelprize.org/nobel\\_prizes/peace/laureates/2015/press.html](https://www.nobelprize.org/nobel_prizes/peace/laureates/2015/press.html))

I think this is an incredibly important lesson for us here in the U.S. Why? Because it illustrates that non-governmental organizations can play a key role in the political process, helping mold it into constructive outcomes. Is there still government corruption in Tunisia? Sure. Is there still fear among the population about the conservative Islamist agenda? Of course. Is there a possibility that civil society in Tunisia might still devolve if the brokered compromises cannot hold? Unfortunately, yes there is. But there are also now demonstrated civic change mechanisms to allow at least some progressive improvements to inch slowly forward without completely alienating other factions.

As with the Arab Spring, the ratio of positive to negative outcomes for other uprisings around the globe has been fairly constant: perhaps 1 in 8 succeeds to create a better, more just, more stable situation for its people. Have things gotten better in South Sudan, Russia, Greece, Turkey, Ukraine, Hong Kong or Venezuela after recent activism, protests and revolutions in those countries? On the contrary, in most cases they have gotten considerably worse. In other words, there is no guarantee that disrupting, undermining or even overthrowing the status quo will result in a beneficial outcome.

Perhaps you can sense where I am going with this. Basically, as I see it, if there is sufficient momentum in the U.S. to disrupt the status quo via political or other means, the 2016 presidential election could produce unsavory outcomes closely mirroring the consequences of the Arab Spring and other recent uprisings around the globe. We could, for example, end up with a deluded megalomaniac with the knowledge and attention span of a gnat commanding the most powerful military on Earth. Or we could have far-right obstructionists take complete control of Congress. We could have eight years of new pro-corporate, anti-women, anti-immigrant, anti-poor Supreme Court Justices receiving lifetime appointments. We could have another economic downturn resulting from laissez-faires government policies, tax breaks for the rich, and risky investment behavior. We could have all of this.

And for what? What would that accomplish, exactly? It's not as if only the foolish idiots voting for Trump would be punished for their stupidity and ignorance – we would all be punished for their stupidity and ignorance. And as the economic, political, civil rights, religious and other freedoms and choices consequently became fewer and harsher in the U.S. for a majority of its citizens, the right-wing neoliberal fear-peddlers could keep the flames of hatred, anger and blame burning ever-so-brightly in America. Because, just as with so many of the Arab Spring countries, the darkness and despair would all but extinguish any lingering hope.

That is, unless we can follow Tunisia's example and strengthen our non-governmental civic institutions instead. I think that is where the tremendous energies of those who feel disappointed, disillusioned and disenfranchised in the U.S. could be focused. Instead of using a protest vote in November to rail against an unjust system, we can

turn to more effective revolutionary efforts and apply our passions there. After all, that's precisely what wealthy corporations do when they lobby Congress or use A.L.E.C. to push self-serving laws through state legislatures. For progressives, there are all sorts of organizations involved in battling the neoliberal agenda – from overturning Citizens United, to trying to pass constitutional amendments against “corporate personhood,” to environmental activism, to holding corporations accountable for malfeasance, to ensuring voting rights for the oppressed....hundreds of opportunities to engage. And again, to be clear, this is exactly how right-wing fanatics have influenced U.S. politics: by investing their time, energy and money in ultra-conservative organizations and movements over years and decades.

In other words, we should never believe that putting all of our eggs into one basket (i.e. electing Bernie Sanders or any other President) would be a sufficient solution to the systemic problems we face in America today. I think that, in many ways, this is an illustration of how our consumer mentality has corrupted the political process: instead of actively engaging the long arc of the moral universe, applying ourselves each day with diligent effort to right the wrongs of plutocracy, we want justice right now. We want a quick fix. We want a hero, a champion, who can promise the execution of a new vision without our having to participate and work hard to make that vision real. This is a hallmark of consumer society, where we are told – every day, and often every minute – that real answers can be obtained at the click of a button, and all our needs can be met with an instantaneous purchasing decision. But enduring change requires real commitment over long stretches of time...not just one vote.

### ***Why Is Community Engagement Important?***

Communities are where ready cohesion is waiting to sally forth. Whereas complex, abstract, global issues may be difficult to harness in terms of building consensus, it is relatively simple to find common ground around pressing community issues. Local housing and real estate development, local energy production, local roads, local businesses and jobs, local environmental issues, local pollution, local animal concerns, local entertainment, local grocery and retail, local banking, local crime...people already care about what is happening in their community. All that is required is a concentration of focus, a regular dialog, and demonstrated evidence that voluntary engagement will produce desirable results. Along these lines, there are established and successful methods of engaging at the community level that are integrated with Level 7 proposals. These include Community Land Trusts, Community Development Corporations, community banking, [community property shares](#), citizens councils, [daily direct democracy](#), and [Community Coregroups](#).





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## Superagency without Moral Development or Civic Accountability

(Excerpted from [Escaping the Failures of Capitalism](#))

Any new, more progressive system will fail unless we accelerate our individual and collective moral evolution to embody a more inclusive, collaborative, equitable and compassionate meta-ethical framework. This is in contrast to our current system, which reinforces ethical regression. History demonstrates time and again that civic institutions must operate from principles at the same level moral maturity as the electorate, because whenever they attempt to exceed that level, they ultimately become ineffective, corrupt or collapse entirely. And because state capitalism has endeavored for so long to infantilize consumers into perpetual dependency, selfless and compassionate participation in government and the democratic process has waned proportionately. But we can no longer remain children. For one thing, we now employ technologies that demand a more adult perspective and unshakable commitment to use them responsibly. Consider the damage oil leaks and spills have caused around the globe – in Alaska, the Gulf of Mexico, the Niger Delta, the Kolva River, the Persian Gulf, the English Channel, Alberta's tar sands, and the Bay of Campeche – almost always as the result of disregarding safe drilling practices, or to save money in the cost of transport or production, or get oil to market more quickly. And as each wave of new technological innovations arrives in the petroleum industry, such greedy proclivities are further enabled, and the scope of pollution and destruction expands. Until relatively recently, it wasn't

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economically feasible to frack natural gas out of the ground. New technologies made that possible, just as they make deep sea drilling more accessible, or tar sands extraction more profitable, and so on. And although the correlation with increased risks to aquifers, wildlife, and indeed human health become more evident with each passing day, the horrific damage continues.

And this is the trend of increasing technological sophistication and destructive capability, without concurrent moral and civic evolution, in all sorts of instances. So, for example, TEPCO's various efforts to cover up the intensity of radiation leakage at Fukushima reveal a self-protective immaturity that disregards the well-being of others, an immaturity which has been echoed by the Japanese government's collusion in concealing the deaths of Fukushima workers and the radiation health risks of foods grown nearby. These are the behaviors of naughty children who vociferously deny wrongdoing to avoid punishment and save face; it is despicable, but it is predictable in the morally immature. In Russia we have witnessed an insecure, paranoid, megalomaniacal dictator rise to power and keep it for over a decade, testing the political, economic and indeed geographical boundaries of the world community at every turn like a petulant teenager. And yet, again embodying the whims of a rebellious, self-important child, Vladimir Putin won't let anyone take away his precious nuclear toys. After all, Russia must regain its former glory as a world power, and part of that status means retaining a nuclear stockpile that rivals that of the U.S. Shockingly, a majority of the Russian electorate seems content to let Putin perpetuate his megalomaniacal farce, if only to feel less of a sting over the failure of the U.S.S.R. Again...this is predictable behavior of the morally immature, in this case involving technology that can annihilate life on Earth several times over. And no one could doubt the childishness of the Bush administration's pursuit and execution of the Iraq war – lying about Saddam Hussein's WMDs as a pretext for invasion, mishandling the reconstruction with billion\$ in no-bid contracts for Dick Cheney's buddies at Halliburton, ignoring the concerns and counsel of world allies, etc. Subsequently, the Iraq War played out like a gang of wealthy schoolyard bullies trying out their newest lethal gadgets on the poor part of town – a trend that has, unfortunately, continued under the Obama administration's drone attacks. And yes, the American people bear responsibility for electing and reelecting into office such infantile, brutish insanity, which of course speaks to the dearth of moral development of the U.S. electorate across both dominant political parties.

We could continue along these lines by illustrating how various industries - pharmaceuticals, agriculture, biotech, tobacco, etc. – have all demonstrated wanton disregard for our collective well-being and the stability of planetary ecosystems by developing dangerous technologies, then recklessly deploying and marketing them for the sake of increased shareholder wealth. Why are genetically modified organisms allowed to reproduce in the wild? Why are insecticides that decimate bee populations still being used? How have toys produced in China been allowed to contain heavy metals or plasticizing chemicals that endanger children everywhere? How did electronic cigarettes become available without health regulation? All of this points to the same mechanism: technological innovation that has moved faster than humanity's moral development. And so this begs the question of how to inspire moral development itself, so that our species can catch up with its scientific prowess. As a developmental issue, this is simply about emphasis: we have become quite adept at training and improving our analytical capacities, and even our physical capacities, but we have not applied the same vigor and rigor to our emotional development, social development, spiritual potential and so forth. This lopsided emphasis is one of the imbalances that [Integral Lifework](#) seeks to remedy.



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## The Case Against Capitalism: Reviewing the Evidence

(Utilizes excerpts from the [Blurts & Spasms](#) blog, [Escaping the Failures of Capitalism](#), [True Love](#), [Political Economy and the Unitive Principle](#))

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## What are the primary reasons we need to depart from capitalism?

All around the world, something long overdue has been gaining momentum: a deepening sense that our current form of feudalistic state capitalism is frighteningly destructive, and that we urgently need to move beyond it. This awareness has been present since the onset of industrialized society, mainly among marginalized and exploited communities, but also among those who have taken time to appreciate the historic narrative of those oppressed populations. Unfortunately, until fairly recently, the rapid enrichment of a middle class in the industrialized world, and the effective distancing of abuse and impoverishment onto developing countries, has successfully insulated even the well-educated from consequences of commercialist corporationism. But with increasingly fluid global trade – and the equally fluid explosion of Internet information and democratization of personal digital communication – the cultural segregation of haves and have-nots has eroded, incontrovertibly exposing the ugly underbelly of the profit motive. For the first time in capitalism's history, we can learn about government corruption, cronyism, industrial accidents, corporate malfeasance and mismanagement, market failures, product hazards, callous acts of the upper class, overreach of our security apparatus, abuses of police and so much more within mere moments of an uploaded news article, a whistleblower leak, a research paper or a cell phone video. The reflexive ideological spin from all points of the spectrum may still be endless, but cat is already out of the bag.

The causal foundations of the capitalist problem have been identified at many times and in many ways, but really they all point to the same thing: the rewarding, enabling and indeed elevation of the most base and destructive of human impulses above our more prosocial, empathetic and mutually compassionate ones, with consistently devastating results. Whenever there are extreme concentrations and inequitable divisions of wealth and power – which are, unarguably, the most prolific and enduring consequences of state capitalism and commercialist corporationism – all other values tend to be subjugated to that matrix, if they aren't discarded entirely. There are so many examples of this, but let's explore a few of the more potent reminders.

**How does the enslavement of millions of workers around the globe promote the value of liberty?** Proponents of capitalism have claimed for years that sweatshops, abusive labor practices and the like are economic opportunities for the desperately poor, and therefore should be lauded rather than criticized (see Robert Tracinski's writings on the topic for an example of this). And of course this lauding is a lie, for just as share cropping was no different than slavery, and the truck system was no different than slavery, the current exploitative labor environments in the developing world are just as hostile and lethal as a forced labor camp. The many exposés of the 1990s on Central America's maquiladoras brought this into

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broad public awareness, but even as worker conditions marginally improved there, the abuses just migrated to other countries. As recently as the 2012 Dhaka garment factory fire and the Savar building collapse a year later, we continue to have potent reminders of modern abuse and implicit enslavement of human beings in service of a free market. And an only slightly different manifestation of the same trend is the growing problem of human trafficking. According to the *ILO Global Estimate of Forced Labour. Results and Methodology 2012* there were 29.9 million victims of forced labor around the world, 90% of which were in the private economy, 68% of which were victims of forced labor, and 22% of which were employed in forced sexual exploitation. The ILO indicates human trafficking to be in third place for illegal business – after drug dealing and arms trading. Such exploitation has always been a consequence of elevating the profit motive above other, more humanistic values, and has been a blatant component of capitalist enterprise at one time or another just about everywhere on Earth.

**How does the monopolization of whole industries by megaconglomerates aid innovation, beneficial competition or consumer choice?** For this is another indisputable outcome of commercialist corporationism. Despite antitrust laws, innovative startups, and the initial perception of consumer choice in emerging industries, the inevitable outcome in all longstanding arenas of production is a handful of huge companies that dominate all others. And even among those companies, we see that substantive differentiation in quality, durability or features is an illusion, because all the of the components of competing products actually end up being produced in the same handful of factories. And even when innovation does occur in some outsider startup (from innovation that is frequently the result of government research or funding - not the private sector), it is almost always just a matter of time before the outsider founders either sell the company to one of the existing monopolies, the startup is acquired by a monopoly in a hostile takeover, or the startup itself begins to accumulate competing companies. Will Tesla, for example, still be an independent car manufacturer ten years from now, or will it somehow become entangled with one or more of the auto industry behemoths? If history is any guide, the prospect of independence is doubtful. So in everything from food production to electronics to telecom companies to banks, consumer choices become fewer and fewer with each passing decade, until really there is often only one option, all previous illusions of “voting with your dollars” completely evaporate, and innovations that challenge existing monopolies are squashed before they ever make it to market.

**How do crony capitalism, regulatory capture and a revolving door between industry and government leadership support representative democracies?** Well of course they don't at all. The only values or agendas that get represented when revolving doors, regulatory capture and cronyism are in play are those of the cronies themselves; the more diverse interests of the electorate – indeed even the majority interests – will be ignored if they do not coincide with corporate interests. Crony capitalism is actually disparaged across a broad ideological spectrum, because it interferes as much with free market competition as it does with democratic governance. Yet despite this collective disdain, essential bulwarks against cronyism, such as campaign finance reform, have either failed to move forward or been rolled backward by decisions like *Citizens United*. Most recently even someone like Barack Obama, who campaigned on a platform of “sweeping ethics reform” regarding the undue influence of money in politics, have still succumbed to the age-old practice of appointing major fundraisers, corporate lobbyists and industry insiders to government positions, where those appointees continue to promote the same pro-capitalist agendas that they did in the private sector. There was perhaps no more glaring example of this than appointing Tom Wheeler - a former lobbyist for the communications industry - to Chair the FCC.

**How do perverse incentives improve our quality of life?** This issue has a particularly personal resonance for me. In

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U.S. healthcare, there is very little incentive to help people maintain healthy lifestyles or treat the underlying causes of their maladies. Why? Because doctors in the U.S. don't get paid for keeping their patients healthy, they get paid for procedures they perform, and the more complex the procedure – or the more they perform – the more they get paid, regardless of whether the procedures address the causes of ill health. Along the same lines, pharmaceutical companies make most of their money medicating away symptoms with drugs that are continuously administered, rather than from drugs that heal or eradicate illness. Consider that the most expensive equipment (i.e. capital items) in any hospital are not rehabilitation equipment, or surgical equipment, or any sort of treatment equipment, but *diagnostic* equipment – that is, equipment that makes the most money for the hospital because it is used the most frequently to justify additional, often expensive procedures and treatments. What if the same level of research, development and investment was made in preventative medicine? Wouldn't that provide a better health outcome for everyone? Well of course it would, but it wouldn't provide the same amount of profit for insurance companies, hospitals, doctors, biotech and pharmaceutical companies, or anyone else in the medical food chain. This is a particularly pernicious example of how perverse incentives manifest, but they evidence themselves everywhere – in executive bonuses calculated on inflated short-term earnings, in the blackened hearts of hedge fund managers profiting from market distortions they facilitate, and so on. And of course this isn't restricted to for-profit enterprise, as government policies have created similar mistakes – for example, Appalachian parents pulling their kids out of literacy classes for fear of losing their monthly disability checks. In all of these cases, however, the same immature impetus – an individual or collective desire for profit – is the root of the problem; it doesn't matter that a system's poor design allows it to be exploited, it matters that the exploitation is driven by a common motivation.

These are some questions that dominate the discussion of modern capitalism. To expand on this topic, here are some of the pitfalls of modern capitalism discussed in *Political Economy and the Unitive Principle*...

"First, we should establish that capitalism, and in particular U.S.-style capitalism - what I have referred to as commercialist corporationism - is by far the most prevalent and powerful component of political economy in the world today. This has been true for roughly the past 150 years. Indeed alternatives have either collapsed, as in the case of the U.S.S.R., or for other reasons turned to market-centric practices, as in the case of China. So...why is this status quo a problem? Doesn't the dominance and success of commercialist corporationism for over a century prove its worth? Hasn't capitalism civilized and integrated the world through trade? Don't the benefits of capitalism far outweigh it's disadvantages? Well, actually no, none of this is completely true. Many folks have composed carefully detailed critiques of capitalism and the deleterious consequences of concentrated wealth. Some influential contemporary voices include Noam Chomsky, Naomi Klein, Greg Palast, Robert Greenwald, Joel Bakan, David Schweikart, Paul Piff, Chris Hedges and Michael Moore, but there are many others. I have also written about the shortcomings of our particular flavor of capitalism in several essays and books. It is fairly straightforward to summarize the most negative impacts when nearly everything becomes private property available for trade; these include:

- The irreversible destruction of irreplaceable individual species and entire ecosystems on planet Earth. Among other equally tragic things, this results in a loss of biological diversity and interdependence that developed over billions of years, which in turn undermines the stability of Earth's biosphere as a whole, and of course the quality of human existence as well. Whether via pesticides and industrial pollution, or the unrelenting decimation of natural habitat for agriculture and housing, or industry-induced climate change, or the devastating damage wrought by wars over resources, or the reckless consumption of water and wild animals...privatization and trade have consistently led to

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widespread ecological destruction.

- The depletion of nonrenewable natural resources that not only have added much value to human civilization in the past, but could prove to be a dangerous deficit for future generations once they are fully depleted.
- An increasing homogenization and commoditization of culture that facilitates ubiquitous distribution of equally homogenous goods. This enables global economies of scale and a corresponding amplification of profit in everything from production and distribution to service and other secondary markets, but it also depletes humanity of a cultural diversity that has proven essential to human survival over time. The resulting intellectual, creative and cultural poverty-of-mind is in many ways just as threatening to our future survival as the depletion of nonrenewable natural resources. Along the same lines, there is also an inevitable decline, stagnation and disinvestment in any area of culture, science, technology, innovation, research, education, infrastructure and so on that does not lend itself to immediate, short-term commercial advantage – even though for-profit enterprise may ultimately be reliant on those supportive structures over the long term. Thus academic research and fundamental science are defunded, arts and humanities education evaporates, the transportation system and electrical grid become increasingly strained and unreliable, and diversified or creative thinking that has no clear competitive benefit is marginalized or repressed.
- A deliberate conditioning of consumption habits that create lifelong dependencies and interrupt healthy self-nourishment. I have called this "externalization," which is simply the incorrect and disempowering assumption that all paths leading to physical, emotional, spiritual and intellectual nourishment (i.e. happiness, love, satiation, contentment, safety, success, belonging, purpose, etc.) are dependent on the consumption of goods and services provided by other people. This estrangement from the wealth of internal, self-sufficient resources available to every human being contributes to the povertization of individuals and cultures, and to an increasing number of health problems among commercialized populations. These include: chronic depression; obesity and Type II Diabetes; addictions to nicotine, alcohol, caffeine and various prescription drugs; ADHD and other childhood developmental deficits; anxiety and stress disorders; carpal tunnel syndrome; cancer; various patterns of compulsive, excessive consumption; and of course long dark nights of the soul. Many of these consequences are now considered epidemics in America.
- The exaggeration of hierarchical class divisions between people around the globe, where the lowest class, which is brutally and mercilessly exploited by all other classes, makes up ninety per cent or more of the population, and the most elevated classes, which receive ninety percent of the benefit of all production, make up less than ten percent of the population. Not only is this exploitation morally reprehensible, it also inevitably leads to deep antagonisms and conflict between the classes, which has already resulted in violent revolutions, ongoing terrorism and the intermittent threat of full scale war.
- The endangerment of all inhabitants of Earth through the constant striving of nation states to gain the upper economic hand using (or threatening to use) increasingly lethal and widely proliferated weapons of mass destruction.
- The demonstrated tendency for severe swings in economic stability as the result of excessive risk taking, deceptive efforts to manipulate trade mechanisms for greater profit, ignorance of externalities, monopolization, and of course the lack of regulatory controls to reign in such behaviors. These lead to inevitable market inefficiencies and failures.
- Extreme concentrations of wealth and influence in corporations, which in turn undermine democracy through clientism and cronyism. In the U.S., corporations write legislation that favors their industry and then fund the elections of politicians who vote that legislation into law. Corporations also aggressively fund political propaganda campaigns that misinform voters about legislation or politicians that do not favor corporate agendas. And, as a final blow to any hope of reversing these trends, corporations have also secured constitutional protections under a fiction of "corporate personhood," which they themselves legally engineered. These and other trends illustrate a continuous

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erosion of political, economic and democratic freedom and power - on a global scale - for all but a tiny minority of plutocrats.

- As a more subtle but pervasive consequence of U.S.-style capitalism, the constant growth and expansion pressures inherent to that system have created excessively rapid pacing in the development, production and distribution of new technologies. This has accelerated changes in human habits, interactions and society to such a degree that our ability to adapt vacillates between high levels of stress as we attempt to comply with change, to an irrational backlash of rejecting change because it is happening too fast. Neither of these polarities is constructive or supportive to human mental, emotional, physical or indeed spiritual faculties.
- In terms of [moral creativity](#) and function, market-centric capitalism inevitably constrains morality to its lowest common denominators. For example, acquisitiveness is preferable to generosity; deception is honored above honesty; hostile competition is rewarded more than cooperative kindness; callous disregard for others is valued more than compassion or empathy; and so on.

These outcomes are well-documented, longstanding and indisputable impacts of U.S.-style capitalism, and have manifested in almost every culture where this particular feudalistic memplex has taken root. In addition, a perfect storm of destruction has manifested where three key influences intersect: first, growth-dependent capitalist economies drive accelerated innovation, production volume and resource utilization that far exceed the ability of individuals and society to adapt or the Earth's natural systems to sustain; second, the obsession with increased, short-term profits, combined with consumer addictions to newer, cheaper, sooner and more, have undermined quality, durability, reliability and safety in nearly all products and services to a devastating degree; and third, technological complexity is growing exponentially, far exceeding human capacities to manage interactions, predict outcomes or measure externalities.

The list of capitalist failures can of course be vastly expanded. In fact, in one of the more tremendous ironies of modern times, nearly all of the cultural destruction that socially conservative free-market proponents attribute to progressive ideals can be laid at the feet of commercialist corporationism. What caused the perceived breakdown of the cohesive family unit, for example? Well, wasn't it a free market that saturated mass media with messages that love should always be titillating and new, that physical attraction was the key to happy relationships, and that personal gratification was more important than interpersonal commitment? Wasn't it a free market that successfully championed variety, convenience and novelty above the traditions of family togetherness, so that fast food and individual microwavable dinners won out over shared meals at the dining room table, and TV shows, iPods and video games won out over parlor games, family night, making music or reading aloud to each other? Wasn't it a free market that targeted children in advertising, entertainment and product development, further dividing the family into separate consumer groups that no longer depended on one another? And didn't the rampant consumerism driven by a free market help persuade everyone in a family that they needed to work as much as possible, so that children, mothers and fathers could all have more money to spend, while spending less time with each other? At the same time, wasn't it also a free market that created low wage jobs, jobs that in fact made workers dependent on government assistance to feed their families, so that economic strain and ever-decreasing buying power forced more and more people in a household to get a job and spend more time apart? And it isn't it – to add insult to irony – the same conservative voices that champion free market solutions who in turn block any increase to the minimum wage? The hypocrisy of social conservatives who claim to support both a free market and family values is, in this regard, stunning.”

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## What about innovation, wealth production, liberty, etc.? Doesn't capitalism create these aspects of civil society?

Many positive assumptions about capitalism have been perpetuated by pro-capitalist propaganda. But they simply aren't supported by thoughtful, fact-based analysis. *Among these misconceptions are:*

**1. Capitalism has improved the quality of life for people all over the Earth.** Actually, it was widespread public education (and scientific experimentation and technological innovation driven by that education), in concert with democracy and expanding civil rights, that has improved the quality of life for people all over the Earth. It is the feedback loop of democracy, education and civil liberties supported by the rule of law that created the middle class and stabilized economic opportunity for more and more citizens. Even innovation isn't mainly from capitalism; if you carefully analyze what has done the most good for the most people – be it a new scientific understanding, a new vaccination, a new technology, etc. – it is **almost always** a result of academic research at public institutions or government-funded research, not innovation that resulted from free markets. These leaps forward have indeed been made more efficiently and effectively by a single product of capitalism: mass production. But that's it. That's the only real contribution capitalism has made to humanity's progress – the rest came from the Enlightenment and the evolution of democratic civil society thereafter. It can also be confidently argued that even the success of "free markets" in producing wealth was a result of the flourishing of this civil society – for "free markets" don't exist in the wild, they are created by civic institutions and the rule of law. So again, it is the Enlightenment that really should receive primary credit for amplification of the common good...not capitalism.

**2. The benefits of profit-driven productivity outweigh its negative externalities.** This declaration is as ignorant as it is arrogant. It's why the rabidly pro-capitalist peeps are still denying climate change (sigh). It's why that farmer a few years back ate spoonfuls of pesticide every morning to prove how safe it was. It's why Ayn Rand thought cigarettes were her "Promethean muse," dismissing any negative health impacts (until she contracted lung cancer). In order for the prevailing strain of growth-dependent global capitalism to keep producing wealth, it requires four things: a) unlimited, easily-accessed natural resources; b) a continuous supply of cheap labor; c) a growing consumer base whose affluence is also increasing; and d) no accountability (and no cost accounting) for negative externalities – and ideally no acknowledgement of them. Unfortunately for the pro-capitalist ideologues, it is extremely likely that none of these conditions will persist for more than another fifty years or so. Why? Well for one, the negative ecological externalities (climate change, loss of biodiversity, resource depletion, disruptive pollution, species extinction, etc.) resulting from human industry are increasingly interfering with productivity – and doing so quite directly. And for another, the affluence that supports a growing consumer base is directly at odds with cheap labor in our global economy, and these two dependencies will inevitably collide. And, finally, large numbers of people are waking up to the fact that the traditional engines of commerce are destroying the planet and need to be more accountable to their impacts – which will change the available opportunities and cost accounting for capitalist enterprise.

**3. The “tragedy of the commons” has been empirically validated.** In reality, it has not. This is a thought experiment in the abstract, and its “inevitability” has been soundly debunked by the work of [Elinor Ostrom](#). Check out her research on successful self-governance of the commons in the real world (common pool resource management) which relies neither on private property nor State management of land and resources, but on local, community-based solutions.

**4. Private property in an exchange economy produces freedom.** This is ridiculous. Private property restricts freedom – 99% of everything around us is privately owned and we can’t use it, access it - or sometimes even touch it. That’s not freedom, it’s a world of fences that corral us into the few remaining spaces that are still **publicly owned** (or the spaces we ourselves privately own). Exchange economies likewise benefit those with the most resources and influence who can game the system for their own benefit, deceiving both consumers and workers into believing that “working and consuming” is what life is all about. But being a wage slave is not freedom. Having Type II Diabetes from eating fast food is not freedom. Becoming addicted to cigarettes is not freedom. Premature disease and death from industrial pollutants is not freedom. Having lots of cool stuff we can buy on the Internet may **feel** like freedom...but it’s just a poor substitute for the real thing. We are surrounded by private property and property use restrictions that impede our freedom, *and impede it a great deal*. And when we apply the same awareness to intellectual property, we realize how constrained all of us are in our actual application and expression of ideas, inventions and so on. Thus private property actually significantly undermines individual and collective liberty (for more on this topic see [integral liberty](#)).

**5. The theory of labor appropriation as a “natural law” is sound.** This is laughable. Locke based this on a naïve misconception of Native Americans and other hunter-gatherer societies. In reality – as validated by decades of careful research – hunter-gatherer societies frequently have no conception of private property or of appropriating property by adding value with labor. Locke was simply wrong. Thus labor appropriation is a completely invented concept and lacks empirical basis with respect to primitive cultures (i.e. it is not “natural”). Property ownership, like many other social constructs of modern society, is a collective agreement enabled and enforced by the rule of law. If most people didn't agree to honor and respect property ownership, there wouldn't be any property ownership. (see also [What is the problem of original appropriation?](#))

**6. Capitalism is not violent, coercive or fraudulent.** This is so misinformed it’s just silly. State capitalism has either been directly responsible – or has engineered the perfect conditions – for most of the military actions around the globe since WWII. Industrial capitalism has resulted in the violent, lethal or injurious exploitation of workers since the beginning of the industrial revolution. Capitalist expansion has created endless varieties of forced appropriation of land, resources and indeed labor – from outright slavery to sweat shops. Capitalist commercialism is responsible for defrauding millions of consumers through false advertising, creating artificial demand, outright deception and fear-mongering, and deliberate theft. And to say that corporations haven’t used coercive force to intimidate workers and consumers is to ignore about half of the available history on consumer and worker rights.

**7. “Free markets” exist as organically arising phenomena.** They don't. All large scale economies are a product of government regulation and adherence (both voluntary and involuntary) to the rule of law regarding

trade. The State has what can only be described as a *socialist* role in all of the world's largest and most successful economies, which is why the current landscape is often described as "State capitalism," or, perhaps most accurately, a "[Mixed economy](#)." For example, such economies rely upon the infrastructure, technology, research, monetary system and regulatory framework provided by the State.

**8. Economic growth in a capitalist system is perpetual and unlimited.** We live in a closed system, with limited natural resources that will eventually be depleted. As standards of living (inclusive of political and social liberalization) rise in developing countries, cheap or malleable labor also becomes less and less available. The U.S. standard of living, although often held up as a gold standard and clear evidence of U.S. exceptionalism, is completely dependent on abundant natural resources and cheap labor. It is simply not possible for everyone on Earth to live an American lifestyle, where per capita consumption is 50x what it is for someone in a developing country. To assume this is sustainable or universally accessible is akin to believing the irrational math of multilevel marketing schemes. This is one reason why U.S. real wages have either remained flat or declined since about 1972.

**9. "Rational self-interest" determines economic outcomes in capitalism.** This one of the more egregious misconceptions, grounded in ideological fervor but profoundly lacking in empirical evidence. Economic outcomes in modern capitalism are mainly the result of the calculated exploitation of workers and natural resources, careful deceptive manipulation of consumers, activist cronyism and clientism in government, and the hoarding of control over the means of production by a tiny, self-serving plutocratic elite. Even when evaluating microeconomic motivations and purchasing patterns, behavioral economists have clear evidence that human beings make irrational, inconsistent, often contradictory decisions about purchases and economic priorities.

**7. Capitalism is morally neutral.** Hogwash. Please see points 1-6.

The common thread here, you will notice, is that pro-capitalist idealists tend to avoid more complex and nuanced views of the world, holding rather blindly to a cherished individualism and economic opportunity for the privileged class, and loudly resisting when anyone questions their oversimplified definitions of negative liberty. Again, any moral justification for capitalism invokes a sort of immature blindness to the prosocial realities that likely helped human societies flourish since the dawn of our species (at least that's what most of the research in group selection and prosocial genetic dispositions seems to indicate). But if we allow capitalism to continue destroying our society and the planet, humans will become a sad footnote in the annals of the extinct.

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## What about entrepreneurship and "American exceptionalism?"

When we look at where many of our most important innovations and successful technologies have originated, it rapidly becomes clear that the profit motive isn't particularly critical in generating new ideas - and certainly not

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for funding them. A particularly potent example of this is Elon Musk, a vociferous proponent of American Exceptionalism, who has funded all of his most well-known technology innovations and “successful businesses” with money from the U.S. taxpayer. And as of this writing (October, 2016), none of Musk’s taxpayer-funded enterprises (Tesla, SpaceX, Solar City) have actually made a self-sustaining profit independent of government subsidies. Musk has, however, maintained an inspiring illusion of success while certainly profiting personally a great deal from his ventures - but the lion’s share of risk has been socialized. For more on this topic, consider reading this blog post: [What Has Elon Musk Failed At?](#) It is a slightly different case in terms of real-world implementations, improvements over time, and mass adoption by the public. This is where marketing, advertising, consumerism and acquisitiveness seem to have been quite helpful - except, of course, for the negative externalities such surges in demand ultimately induce. That is, until monopolization occurs, and innovation is aggressively squelched in favor of lower-risk options with proven profitability. But I do think it is obvious that friendly competition is important - even for public goods.

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## What are the foundations of capitalism?

At the heart of capitalism - and exceedingly problematic in terms of its routinely evidenced outcomes - is an irrational perpetuation of five things:

1. A rigorous facilitation, defense and expansion of private property rights by an authoritative State, which effectively deprives those without sufficient property ownership of operational liberty;
2. A reliance on easily retained and replaced cheap labor, and on easily obtained cheap resources, exploitations that effectively equate slavery in the first instance, and institutionalized theft in the second;
3. A desperate enlarging of conspicuous consumption, consumer infantilization and dependence, and consumer debt to facilitate the economic growth required to keep the juggernaut of capitalism in motion and (albeit temporarily) counter cyclical downturns caused by overproduction/underconsumption;
4. An imbuing of tyrannical commercial entities (i.e. corporations) with “human” rights that effectively exceed the power of real human individuals to countervail;
5. An ever-increasing concentration of wealth and power in the hands of those who control the means of production - and an impoverishing and depletion of everyone and everything else - in order to ensure that 1–4 above remain intact.

Now supporting these five pillars of capitalism is the straightforward “vile maxim” coined by Adam Smith: “All for ourselves and nothing for other people.” It is a philosophy of pernicious solipsism, thriving on materialism and

individualism in their most extreme manifestations. This disposition is not, as the neoliberal camp, anarcho-capitalists and Ayn Rand fans would have us believe, the bedrock of human nature. In fact most evolutionary biologists have documented a much more dominant theme of *prosociality* in both human and animal behavior. But the vile maxim makes for very good self-justification and propaganda for enabling the five pillars of capitalism.

Once we recognize what capitalism relies upon to function - and the fundamentally mistaken philosophical stance that drives it - we can effectively undress the myths that encourage the de facto oppression and destruction of workers, consumers, civil society and the environment. I am referring of course to the clear antagonisms that organized labor, consumer advocacy, civil rights, democracy and environmental regulations present to crony capitalism. These pesky trends are extremely irritating to corporatocracy, and are therefore constantly under attack by the plutocratic elite, who have - in the U.S. and much of the rest of the world - successfully arrested and in many cases reversed the progressive advances of the last century that have ensured these protections. In any case, gaining awareness around these dynamics - and educating others about them - is a critical first step in moving away from capitalism.

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## The commercialist distortion of human needs, and subsequent retardation of human development

A central challenge of a growth-dependent, commercialistic system like the form of capitalism widely employed today is that many "basic physical needs" (food, shelter, clothing, etc.) were widely met a long, long time ago in any advanced society - and are in fact quite easy to satisfy. So, in marketing terms, there is "market saturation" with respect to these needs. Which means that producers and advertisers must increasingly emphasize certain approaches in order to keep selling stuff to people, and we might summarize these approaches as follows:

**1. Amplifying product differentiation.** This is usually a matter of either adding value or lowering price - or both. The idea is to increase appeal and convince consumers that the product is more appealing or more satisfying in some way.

**2. Creating an "externalizing" substitution dynamic.** This simply means to convince people that needs that aren't actually getting met by the product are being met by it; it's a deliberate deception. For example, X product will make you happy, Y service will help you find love, Z subscription will keep you informed. These products and services won't actually fulfill those needs, but if a consumer is convinced to pay for them out of a belief that they will, then there can be a placebo effect that induces ongoing dependency. It's a bit like playing the lottery: perhaps, someday, if I just keep buying X, Y or Z, then all those advertising promises will come true...

**3. Creating an addiction.** Simply engineering a product that is highly addictive. Sometimes this is a physical addiction (nicotine), and sometimes this is an emotional addiction (reality TV shows), but the idea is to provide zero actual nourishment at very low cost, while keeping consumers "hooked."

**4. Engineering social cachet and relying on the lemming effect.** Veblen goods often fall into this category, but so do most products marketed to children, or that rely on current social trends. In rare cases, such as with Apple products, a company is able to create the social cachet rather than rely on an existing fad.

**5. Capitalizing on fear and insecurity.** This often entails creating a "bogeyman in the closet" that is imaginary, but amplifies some widely held suspicion or fearful tendency. This is used very effectively in marketing everything from pharmaceuticals to guns.

**6. Sex.** And of course anything that hints at sexuality can be "interesting" enough to purchase or pay attention to. Sometimes this is just another substitution dynamic...but sometimes it really is just about sex.

Now what's perhaps most interesting here is that the objective of this flavor of commercialism is to infantilize consumers or toddlerize them - that is, to make them unquestioningly dependent on the product or service being sold, so that they avoid considering other options, never realize they are being duped, and, most importantly, never begin to self-actualize so that they are less dependent and more self-sufficient (i.e more grown up). In order to accomplish this and to maximize marketing reach, the marketing emphasis will tend to hover around **the lowest common denominators of human desire and impulse** (whether those are being "met" or being "created"). What are infants concerned with? Pleasure, sustenance, safety, etc. What additional things are toddlers interested in? Testing limits, getting their way, being liked, etc. And if commercialized consumerism can barrage people with messaging and products that keep them anchored and fixated on those immature foci, then consumers will be less likely to search for more sophisticated nourishment or more mature stages of personal development. They will be less likely to "grow up."

In essence, if producers can keep people from growing up, it is a lot easier to sell them stuff.

(See also: [What are the advantages and disadvantages of consumerism?](#))

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## Some additional considerations from a Marxist perspective

Yanis Varoufakis said in his article ["How I became an erratic Marxist"](#)

*"If workers and employers ever succeed in commodifying labour fully, capitalism will perish."*

What does he mean by that?

We might assume that Varoufakis is referring to the vast historical arc of Marx's historical materialism, as outlined in *Das Kapital*, that ultimately results in the collapse of capitalism. But there are some specific themes in Marx's thought that Varoufakis touches upon, and which in and of themselves might account for Varoufakis's statement.

For example, one theme Marx offers is that capitalism tends to convert all that is, in reality, about human relationships and interactions into some sort of monetary exchange value, and that this is an inherently bad thing, especially when it ignores (or devalues) the inherent, qualitative importance of those relationships and interactions in more human terms. If I say "I love you" to my wife, and in her mind that equates an expectation of material demonstration in the form of payment, goods, services, etc., then such expectation tends to undermine the intrinsic value of love and its importance in our non-material bond. In the same way, a trusting friendship can be replaced with money, in that I will only have expectations of you if I pay you, and you will only feel obligations to me if you are paid. So these are examples of commodification that are inherently destructive to human social relations (a conclusion which is obvious to anyone with emotional intelligence, but less so to someone who lacks it).

So what Varoufakis may be alluding to is that one of the most important "non-material" contributions of labor is what we might call creativity: the ability to add value (be it aesthetically or in terms of utility) to some raw material, which is a pretty amazing quality of human behavior. And in the same sense that we can't quantify or commodify love or trust, we really can't quantify or commodify that natural, unpredictable, inspirational creativity either. This isn't entirely ignored in capitalism, where someone might pay millions for a Vermeer; there is an element of what Marx called "fetishism" involved here, to be sure, but there is also a very reasonable awe invoked by Vermeer's profound and rare talent, and a consequent attempt to quantify what simply cannot be captured. Thus there is really no upper limit to such capture efforts, which is why such creations are effectively "priceless." Sometimes this valuation is tied mainly to scarcity...but that's simply not the whole picture (or painting in this case).

So if all labor (that is, all potential qualitative contributions that labor enables) were completely commodified by employers and employees in the sense described, then the very qualities that add value to goods and services will be completely excised. Take love out of a marriage, and what do you have? Take trust out of a friendship, and what do you have? Take creativity out of the means of production, and what do you have? This could be what Varoufakis means when he says "capitalism will perish." That special human ingredient that fuels the capitalist enterprise and generates value (and ultimately profit) will be extinguished through the commoditization of all labor...so how could capitalism continue?

But this is just one take. Varoufakis could also just be alluding to the complete alienation of labor through its treatment as mechanized, tedious, robotically monotonous production by capitalists...another important theme in Marx. Or he could be referring to Marx's predictions about the consequences of monopolies and an increasingly centralized means of production (and concentration of capital), which in turn prod the steadily impoverished masses into open revolt. Or he could be referring to all of these things....

## **On capitalism being antithetical to spirituality**

(For an expanded discussion of this topic, see [What parallels can be drawn between capitalism and spirituality?](#))

In my view, spirituality and capitalism are completely antithetical, and any parallels would be superficial and without real substance. Of course, we would need to be specific about which kind of spirituality is being compared and contrasted with which kind of capitalism, so I will use general spiritual principles found in many world religions for the one, and Western-style state capitalism for the other:

<b>Transcultural Spiritual Principles</b>	<b>Principles of Western-Style State Capitalism</b>
Materialism interferes with spiritual growth.	Materialism is the primary emphasis of commercialism.
Acquisitiveness evidences spiritual immaturity, while generosity evidences maturity.	Acquisitiveness is encouraged and rewarded, while generosity is exploited.
Collaboration, community and cooperation are more important than competition.	Competition is a primary, fundamental feature.
The importance of self is deemphasized in favor of compassion for others.	I/Me/Mine egocentrism is relied upon as a behavioral norm to facilitate commerce.
Hatred and violence are abhorrent and should be avoided.	Hatred and violence are useful tools to create new access to production resources or to secure existing ones.
Lies and deception are considered barriers to well-being.	Lies and deception are ubiquitous facilitators of increased sales.
Addictions and compulsions are spiritually unhealthy, and every effort should be made to overcome, heal or manage them.	Addictions and compulsions are deliberately engineered to ensure increased consumption.
Premature death and the wanton destruction of human health, the natural environment and other living beings is distasteful, unkind, immoral and has negative spiritual consequences.	Premature death and the wanton destruction of human health, the natural environment and other living beings are necessary and acceptable externalities of economic growth.
Enslavement and/or exploitation of human beings is wrong.	Enslavement and/or exploitation of human beings is the gold standard for controlling production costs.
The careful, moderate, balanced nurturing of one's own necessary and healthy needs and the needs of others is a worthwhile goal.	The excessive, indulgent gratification of whims and fancies is emphasized over balance or moderation, and capricious wants are elevated above necessary and healthy needs.
Wisdom and insight are ultimately intimate, internal processes and are not dependent on external persuasion.	Encouraging people to ignore internal insight and wisdom in favor of external persuasion is a primary feature of commercialism.
Social status is unimportant.	Social status is all that matters.
Power and authority over others is a sacred honor, to be wielded with utmost humility and compassion.	Power and authority over others is a perk of ego, achieved and maintained through fear, manipulation and intimidation.
Trust is all about love.	Trust is all about money and contractual leverage.

These (and many other examples, if I had time to write them all) are why capitalism in its current manifestation can never become more spiritual, and why spirituality is always, without exception, corrupted by capitalism.

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## A Sense of Urgency

Regarding many of the destructive consequences of capitalism, the data is already in. Climate change influenced by human industry is real and will have devastating consequences within our lifetime. Species extinction as a result of pollution, hunting and commercial habitat destruction is accelerating, and we will likely see some 60% of the genetic diversity of Earth vanish within then next few decades. Apart from the increases in mental illness and lifestyle-induced diseases like Type II diabetes, there is strong evidence that stress-induced phenotypes that negatively impact our mental and physical health can be passed on to subsequent generations. The ongoing and highly volatile boom-bust cycles of growth-dependent capitalism are well-documented and have increasing global impact. And of course the exploitation of labor - in the form of sweat shops, child labor and prison labor in the developing world, as wage and debt slavery in the U.S., and as human trafficking almost everywhere - is ceaselessly creative in its manifestations. And, sadly, all of these downward spirals have been predicted for a very long time - they have just been scoffed at and ridiculed by plutocrats who fear their cookie jar would be taken away.

In fact, we can reliably say that whenever pro-capitalist conservatives become agitated enough to initiate propoganda campaigns against any scientific assertions or common-sense solutions, we can be sure the underlying problems are real and need to be addressed. Conservative pushback is the real canary in the coal mine here. This was intimated by the "Red Scares" after WWI and WWII, by the doom and gloom predictions about everything from women's suffrage to child labor laws to consumer and worker protections to the minimum wage, and of course by the "global warming hoax" of the last decade. There is an excellent example of the mindset behind these objections in a memo written by Lewis F. Powell, Jr. in 1971 regarding the "[Attack of American Free Enterprise System](#)," which is clearly energized by the mistaken belief that capitalism equates freedom. It was this memo that purportedly led to the creation of many now longstanding engines of propoganda against anything that threatens profitable destruction or corporate power (Heritage Foundation, Cato Institute, etc.).

In this sense, the election of Donald Trump to be POTUS is a clarion call for assertive [Level 7 action](#), and is potentially one of the final nails in the Earth's economic, environmental, cultural and political coffin.

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## References regarding a "ruling elite"

*On How Corporations & The Wealthy Control U.S. Politics:*

Exposing ALEC and SPN:

[How Conservative-Backed State Laws Are All Connected](#)

[ALEC's \(Non\)Disclosure Policy | BillMoyers.com](#)

[EXPOSED: The State Policy Network - The Powerful Right-Wing Network Helping to Hijack State Politics and Government](#)

On the Koch Brothers:

[Video on Koch brothers taking over Tea Party](#)

[Koch Brother Political Activities Wikipedia](#)

Mercer Family and Cambridge Analytica:

[Robert Mercer: the big data billionaire waging war on mainstream media](#)

[The Rise of the Weaponized AI Propaganda Machine](#)

[What Does the Billionaire Family Backing Trump Really Want?](#)

How Think Tanks Influence (*or control outright*) U.S. Politics

[Think Tank Politics](#)

[Biased Think Tanks Dictate U.S. Foreign Policy](#)

***On how the U.S. and its companies use the IMF and World Bank to exploit developing countries:***

[Top Ten Reasons to Oppose the IMF](#)

[How the World Bank, IMF and WTO destroyed African agriculture](#)

[IMF's four steps to damnation](#)

### ***Regarding the Iraq War being engineered for profit:***

[Upworthy | War Contractors](#)

[Halliburton, KBR, and Iraq war contracting: A history so far](#)

[Tenet Details Efforts to Justify Invading Iraq](#)

### ***Regarding the Super-Entity & Concentrations of Economic Control***

[Revealed – the capitalist network that runs the world](#)

[Interlocking directorates](#)

[The Corporate Community](#)

<http://corpnet.uva.nl/pdf/sociologica2016.pdf>

### ***How All Of This Ties Together***

<http://www.globalresearch.ca/world-bank-whistleblower-reveals-how-the-global-elite-rule-the-world/5353130>

[Bilderberg Group](#)

<http://www.theyrule.net/>

### ***My Conclusions So Far Regarding a "Ruling Elite:"***

I would recommend you dig into some of these links and arrive at your own conclusions. Try to find the common themes that connect all of these facts, events, people and outcomes.

For me, the unifying pattern is pretty clear: there are a few hundred people in the world who have a pronounced influence over both global trade and financial institutions, over any mechanisms of government that can impact these holdings, and consequently over how both international wars are waged and how laws are written all the way down to the municipal level. It's rather breathtaking. But having such power does not indicate a conspiracy, per se, but rather a kind of "natural selection" via exploitative capitalism, in which the plutocratic elite are protecting their influence and enlarging their wealth. Sure, it results in a modern form of

feudalism, but the perceived "coordination" is, I think, just a result of universal practices that have proven effective in retaining power over time, rather than a carefully planned and executed manipulation. But I could be wrong.

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## The Unitive Principle

(Portions excerpted from [Managing Complexity with Constructive Integralism](#); see also [Level 7 Property Position](#))

***In short, the “unitive principle” is innate and cultivated love — specifically an unconditional love-consciousness that inhabits the felt experience of compassionate affection — that invites social cohesion, stimulates prosocial behaviors, and energizes individual and collective moral evolution. The impact of the unitive principle on personal and societal development is captured in this chart:***

### **[Integral Lifework Development Correlations](#)**

It takes a while to absorb the content of such a chart, and it would take even longer to discuss it more fully, but the idea that there is a predictable arc of moral advancement is an essential feature of the values hierarchies that support constructive integralism. Why? Well, for one thing the shape and feel of a “the greater good” — or any other overarching imperative that directs our intentions — would otherwise be impossible to predict or promote. For another, “love-consciousness” would be just one of many possible states of being, and

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there would be no way of validating its primacy. We would have trouble, for example, defining and grouping emotionally “healthy” states, or defending the observation that they are more constructive or efficacious than emotionally “unhealthy” states. This is precisely the same relationship that multidimensional awareness has to a higher tolerance for complexity, so that an open-minded, self-discerning mode of evaluation is clearly more beneficial than a closed, reflexive loop that relies on externalized guidance. And without a way to prioritize ideations, values and actions, our efforts would be set adrift amid an ocean of competing and seemingly equivalent ethical ideologies...which is in fact one of the more miasmatic maladies of the postmodern era. Indeed, I feel it is this very malady that may have infected some of the other iterations of integral thought.

As an alternative, if we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we can begin to arrive at values hierarchies that are not only internally consistent, but that energize a clearly defined evolutionary arc amid complex and often competing systems. When combined with multidimensional awareness, we can sort through the profoundly complicated issues of the modern world and assign dynamic, flexible priorities. I can attest to this not only theoretically, but from my own experience. In managing people in organizations, for example, whenever I placed “the good of All” above any other agenda — above shareholder profits, for example, or my own ego gratification, or the favoritism of one person over another, etc. — then the outcome was always beneficial to the largest degree for the largest number, as long as I could integrate as many perspectives as possible within this compassionate prioritization. And this was true in all sorts of environments, from non-profit to corporate to governmental to community organizations: a principled decision motivated by maximally-inclusive compassionate affection always created more harmony and contentment in the end, even if it wasn't initially popular with one or two employees or community members, and even if it ruffled my manager's feathers.

Of course, we could also choose something else to power our values hierarchies. We could choose acquisitive materialism, or reinforcement of unequal social power structures, or righteous indignation, or violent justice, or self-imposed victimhood, or childish egoism, or malicious spite, or one of the many other motivational memplexes available in humanity's noosphere. But what the sages of nearly every wisdom tradition declare, the prosocial genetic programming of primate species suggests, the depths of mystical gnosis illuminates, and multidimensional awareness affirms, is that the felt experience of compassionate affection has the greatest motivational efficacy. It is the wisest pilot for our consciousness, the most elegant moral arbiter for our species, and the choicest compass for our soul. In True Love, I go so far as to say that skillful love is a prerequisite for adequately nourishing ourselves or others in any dimension:

“A stronger way to state this principle is that without the cofactor of love, the nutrients available to different dimensions of our being cannot be properly metabolized. You could even say that a paucity of love is our greatest barrier to wholeness and well-being. The felt experience of compassionate affection must develop in parallel with every other aspect of self; it is both a prerequisite and product of nurturing efforts. Returning for a moment to the strata of moral valuation, consider that movement from one stratum to the next cannot occur unless love is firmly seated in our consciousness. Authentic love, in this context, is the fullest expression possible of our particular level of moral development; it progressively defines what we value and how courageously we act on those valuations. This leads to one way we can define love-consciousness: love that has become fully conscious within us, producing a sensitivity that is wholly infused with love and grounded in ever-

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expanding arenas of affection. Another way to say this is that our moral development reflects the maturation of love within us, and this in turn defines how skillfully we can achieve multidimensional nourishment for ourselves and throughout all of our interactions. Our energy exchanges become the very currency of love and the evidence of its sovereignty in our life...

...If I feel affection for myself, won't I want to nourish every aspect of my being? And if I can care for myself effectively, won't that help me become more competent in facing new challenges? Thinking, choosing and acting from a place of loving kindness, we have the courage to be flexible and allow appropriate fulfillment impulses to take the upper hand when needed. Then our love can flow forth into the world around us as well. I am sure you can intuit the critical role that compassionate affection plays in the nourishment process – it is the beginning and end of our journey. True love is the kernel of enduring strength at our core, the wind that lifts us, and the distant horizon towards which we fly. It is the cofactor for metabolizing healthy nourishment in every dimension of self and the sunlight that enables growth. It inspires change and supports us as we test our wings. Love then provides the courage to see ourselves and the world around us clearly, and envision a future appropriate to who we really are. In the end, it is only through love that we can grasp the importance of the life we choose to live, or measure the real worth of our triumphs."

My understanding of love-consciousness, values hierarchies, the golden intention and so on continue to be transformed by the integralizing filters of discernment, a neutral holding field, flexible processing space and [multidialectical processing](#). I believe it has been through this growth curve that I eventually arrived at the book Political Economy and the Unitive Principle, where the importance of collective moral development in enabling the capacities and durability of civil society becomes so pronounced. Here again, all of this remains dependent upon individual commitment to self-nourishment and loving intentionality that expresses the "unitive principle" of love. As I wrote there:

"Is it the natural maturation of a more sophisticated and far-seeing self-interest that inspires a unitive vision? Is it an inevitable evolutionary refinement in social relations? Is it an arbitrary hiccup in the development of the brain that provides some adaptive advantage? Is it evidence of a divine imprint on the human psyche, or part of what Sri Aurobindo called "supramentalisation," the ongoing descent of the divine into the material plane? I have my suspicions, but of course I don't know the answer. I have just observed it over and over again: the unitive principle appears to be firmly embedded in holistic nourishment and [moral creativity](#) as a function of natural maturation and growth, with continuously humanizing, harmonizing and liberating effects. And this why I believe transformative, all-encompassing love-consciousness should become our guiding intentionality for everything, including models of political economy, because this kind of skillfully compassionate affection has proven itself to be the most constructive force available to us."

Also of interest is Paulo Freire's [pedagogy of love](#), which closely aligns with the developmental and motivational basis of the *unitive principle* — as well as its expression in praxis.





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## Encourage Adoption & Discourage Reproduction

If trends in developed and developing countries are any indication, it is likely that human population will eventually stabilize. In the meantime, however, explosive population growth continues to have an enormous impact on demands for resources, environmental destruction and pollution, and perpetuation of poverty. Instead of incentivizing reproduction through tax credits and welfare benefits, while at the same time limiting access to family planning and reproductive choice for women, we can reverse this position. For example, additional social credits could be made available for anyone who adopts any number of children, whereas the same benefits would only be offered to the first two children that a couple conceives. It is clear that for any such proposals to gain traction in a meaningful way, the average moral altitude of the general population will need to advance beyond egoic and tribal orientations to an Earth-centric level of awareness or beyond.





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## What is the Spectacle?

By "spectacle" I am deliberately combining several different concepts into a single dominant memetic force, a force that I believe permeates modern capitalist culture and conforms many other thought-fields to its will. Contributions include the *bread and circuses* of ancient Rome, Debord's commodification of all existence (the "diffused spectacle"), Herman and Chomsky's "manufactured consent" of mass media, Hegel's alienation of unitive awareness and spirit, Veblen's conspicuous consumption, Umberto Eco's reflections on [the 14 features of ur-fascism](#), Geoffrey Miller's consumerist "fitness trait display," modern definitions of [false consciousness](#), and many others. Raising awareness of this conception of *spectacle* is also — in combination with the rest of Level 7's framing — intended to counter individualist-materialism memes: the objectivism of Ayn Rand, the paleolibertarianism of Murray Rothbard, the atomistic morality of Richard Dawkins, and so on. If I were to sum all of this up into a simplified definition, it would sound something like this:

"The spectacle is a coherent body of false beliefs and practices that presumes (consciously or unconsciously) that individualism, materialism and jockeying for dominance are the only guarantors of prosperity and freedom, and must be secured and aggressively defended across all institutions and activities in civil society. Further, these false beliefs and practices conspire (again, consciously and unconsciously) to promulgate this worldview with evangelical fervor and by any means possible; *and, in service to the spectacle, all methodology is then cast*

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*as morally neutral*. Methods include deceptive manipulation through mass media marketing, economic and social status enticements, oppressive social controls and political force, relentless conditioning towards externalized dependency on commercial goods and services (i.e. objectification and commodification), cultural isolation and separation of the individual, anesthetizing social and moral development with lowest-common-denominator animalistic titillation and satiation, and inducing sociopolitical apathy or ineffectiveness with confusion, distraction and misinformation. As a memetic engine in modern society, the spectacle relies on both tacit and unexamined acceptance of values hierarchies that undermine prosociality, cooperation, compassion and self-nurturing, and on a deliberate shaping of groupthink and recruitment propaganda to further its aims. But rather than securing prosperity and freedom for any majority, what the spectacle actually ensures is that worker-consumers will sacrifice their own freedoms, health, well-being and prosperity so that a small number of owner-shareholders can reap these benefits in excess. Hence the falsity of all spectacle-enshrined beliefs. And what makes the spectacle so spectacular is just how pervasive this ironic and destructive self-sacrifice has become in service to individualistic economic materialism.”

Perpetuation of the spectacle is a primary component of [neoliberal activism and propaganda](#). What follow are some musings around different facets of the spectacle — including some ways to counter it. Please also consider reading the essay, [“The Problem of Virtually Causality.”](#) which explores patterns of causal misattribution, masking and forcing in modern society that undoubtedly further enable the spectacle to flourish.

### ***The Illusion of Liberty*** (from [The Goldilocks Zone of Integral Liberty](#))

What does this “free will” feel like? How can we recognize it? This is where four primary drives handily come in, as they can define the *interior* components of our will even as they describe its *exterior* expressions. As proposed in Integral Lifework, these drives include:

***To exist.*** In a subjective sense, this constitutes our awareness of the self as an apparently independent consciousness, physical organism and force of will that experiences and interacts with the other consciousnesses, organisms and forces within its environment. As that awareness evolves, it will change in quality and scope, and its relationship to everything else will change as well. Ultimately, if we become aware of the essential Self – as a unitive, undifferentiated experience of All-Being – this will tend to obliterate previous egoic conceptions of individual identity. However, this does not mean that such previous conceptions and experiences are less important, or that they do not persist in some form throughout higher states. The point is that in all such progressions, *existence* is an a priori assessment of the condition we inhabit...even if we question the foundations of that existence (i.e. the nature of perceived reality) or regard our experiences as tenuous, compartmentalized, or incomplete.

So then, what does the “freedom to exist” look and feel like? Is it the freedom from existential threats? The freedom from persisting fears of such threats? To have some fundamental confidence that, when the sun rises tomorrow, we will awaken to a new day in which our continued existence is assured? In this first component of liberty, all that is really required is the *subjective perception* that most conditions like these are true. There may

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be additional benefit in our existence-affirming judgment being rationally derived, but that may not be necessary; this is more a matter of personal belief. If I *believe* I am free to exist – free from immanent harm or annihilation – then perhaps this is enough, at least for this first factor of *subjective felt experience*.

**To express.** Speech, gestures, body language, laughter, creativity, artistry, communication, craft – all of these and more involve *expression*. Here again, do I *believe* that I have freedom to express myself in various ways? If I do, then perhaps that is sufficient. If I exercise my self-expression and nothing overtly antagonistic happens as a consequence, then I will perceive my self-expression as free and unfettered. It should be noted that this sense of expressive freedom is not really rewarded except intrinsically; like existence itself, the mere fact that I can express myself however I wish – as long as it does not interfere with the primary drives of others – is the primary benefit and privilege this freedom affords.

**To effect.** This component differs from the other three in that it evidences through influencing or altering other consciousnesses, organisms and forces within our environment. It is of course intimately tied to the other three, in that it acts as a mirror of our *existing*, *expressing* and *adapting*; it offers us proof that these conditions are real and confirms our self-efficacy. This is not insignificant, but it leads to the central conundrum of individual sovereignty: what are the boundaries of personal freedom? When must I voluntarily reign in my *effect* on others, so that their liberty is not impeded? And how can I best calculate such boundaries, especially if I am ignorant of the extent of some *effect* that I produce – if there are unintended consequences to my actions? This is something we will need to address, but for now we can at least posit that if there is *a certain degree of effect* that is observable from what I will to happen, then I can experience the feedback loop of this freedom and have it subjectively affirmed. Interestingly, there will also be moments of magical thinking, where an individual perceives an *effect* that they believe is of their making, but which really isn't caused by them. Even this may contribute to the perception of free will. But for now, we can at least say that whenever we look upon what we have accomplished, and feel a sense of affirming satisfaction, it is the regularity and extent of this feeling that enriches and confirms our liberty to ourselves.

**To adapt.** Can I change and grow? Can I learn and apply my knowledge to new situations? Can I explore the boundaries of my volition, knowledge, self-expression and effects on my environment, so that I maximize my individual sovereignty and the subjective felt experience of liberty? Can I evolve, and observe real benefits of that evolution? If these opportunities are afforded me without arbitrary restrictions, then my ability to *adapt* is confirmed, and my freedom is complete. This is the final component of the subjective felt experience of free will because it relies on the other three components to define and generate itself, just as *adaptation* also facilitates those other three. As a small child learns how to safely thrive within its environment, it constantly collects knowledge and techniques to *adapt*, so that it can *exist*, *express* and *effect* to its heart's content within the dynamics of each new situation.

So this is what I would propose the *subjective felt experience of free will* looks and feels like. It should be noted that a persisting theme in human history has been the deliberate attempt, by those who have the greatest power and influence in society, to generate these felt experiences in those who are to be ruled. This is the nature of “bread and circuses” and the engineering of a distracting spectacle for the masses. For if I *believe* that I am free – if I experience even a close approximation of empowerment and liberty in *existing*, *expressing*,

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*effecting* and *adapting* – then I just might overlook any subtle constraints or interference that carefully boundarize my will. This is one way countervailing illusions of freedom are created and maintained.

Even in modern democracies we find this dynamic in play. In the U.S., for example, we are provided democracy as a pressure relief valve for collective aspirations and dissatisfactions; we vote, believing that who and what we vote for will accurately represent our desires and intentions as operationalized by our government. But then the legislation supported by the people is not enforced, the politicians who win elections do not follow through on their campaign promises, and the issues so hotly debated during those elections receive little more than lip service until the next election cycle. Meanwhile, those who can afford to lobby elected officials every day of the year, who can entice the rising stars of politics with opulent campaign war chests, and who either own most mass media themselves, or can pay for constant promotion of their agenda through that media, craft a constant quid-pro-quo in democratic government – so that government expresses their will rather than the electorate's. Occasionally there is a victory for the people, and a sense that democratic will is being expressed and our primary drives satisfied – but we might call this “playing the freedom lottery,” in that the partial reinforcement is barely sufficient to keep the electorate coming back for more.

And of course the same is true in supposed “free market” economies, where vast monopolies control what is available for consumption while funding massive marketing campaigns to invent artificial demand, insuring which goods are perceived as most desirable. And while the introduction of enticing or disruptive new technologies and products may, for a time, create price-elastic demand, eventually price-elasticity settles into a predictable range as both production and engineered dependency rigidify. It is only because capitalist enterprises and economies are growth-dependent that resource scarcity even comes into play – as corporations continue to create artificial demand and spur consumption, the pressures on availability of cheap labor and raw materials are likewise artificially exaggerated. In such an environment, innovation is just a means of restarting the clock until a given industry arrives at a price-inelastic demand once more.

If that particular price-inelastic landscape isn't desirable or sustainable, innovation isn't the only method of upsetting the apple cart. At some point it might also become advantageous to, say, capitalize on a debt crisis, or an armed conflict, or a market failure, or terrorist threats, or any number of other mechanisms that can help reset the growth curve with some new flavor of scarcity or reshaped demand. And whether it is calamity or invention that is inspiring opportunity, it is corporations who mold that opportunity into market forces to serve their ends, under the tremendous pressures of the very expectations they create. In other words, the “freedom” of capitalist markets is as much of a countervailing illusion as U.S. democracy representing the will of the people.

### ***The Organic Diffusion of Wealth and Power*** (from [\*Political Economy and the Unitive Principle\*](#))

We really zero in on the heart of a sustainable political economy when we explore ideal ways to distribute wealth and power, and the core of that distributive vision is organization and empowerment at the community level. Why emphasize efforts at that level? Because communities where people know and care about each other provide an ideal scale for democratic decision-making; a direct democracy that can be compassionate, viable and

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accountable. The core of community-based proposals is a simple principle: communal engagement with every variable that impacts members of that community. This involvement cannot reside solely in elected representation or periodic referenda, but must also occur more directly and frequently within the electorate itself. That is, through ongoing communal decision-making, funding, and feedback mechanisms.

Consensus-based community organizing has proven a crucial component of many historic evolutions, and deserves careful consideration. But what energizes such efforts? What causes the grass to grow? Is it a sense of justice, of righting a wrong, of fairness and equality? Or is there a deeper well to draw from? When [moral creativity](#) permeates consciousness, a more complex array of motivations percolates to the fore. There is a desire to integrate perspectives, to honor outliers along within the mean, to recognize genius and create a consensus from additive synthesis, transcending the lowest common denominator without reviling it. Why? Because passionate compassion is generative, not conciliatory; it rises above the mundane even as it carries the mundane with it, so that, to borrow a phrase from Alfred Whitehead, "novelty does not mean loss." What are the building blocks for this force for good? Once again, it is my contention that love-consciousness is not achievable or sustainable without careful attention to full-spectrum nourishment; beginning with each individual, the twelve dimensions of well-being must be affectionately embraced and nurtured before this energy transmutes into sustainable activism.

As for institutional reforms, why not implement direct democracy at the community level? Using existing technologies, direct democracy could be regularly realized on a vast scale. Imagine a societal expectation that, every day, citizens would vote on any number of decisions with real-world consequences in their community, and do so from the comfort and convenience of their homes; we might call this "daily direct democracy." This could shape the prioritization of infrastructure funding, or zoning for certain business activities, or the number of regular police patrols in local neighborhoods, and so on. Whatever strategic or tactical concerns could easily incorporate direct democratic decision-making would be reviewed each day, and revised and adjusted as citizens observed the impact of their decisions over time. Regarding decisions where specialized knowledge is needed, votes could be organized, solicited and even weighted based on a combination of self-reported interests, expertise and experience. Imagine further that such expectations are tied to certain social privileges - that participation in governance and planning affords benefits that would otherwise be limited or unavailable.

For community issues that require more advanced, rare or specialized knowledge - and perhaps coordination across multiple tiers of government or longer decision-making cycles - community members selected through automated lotteries could participate regularly as part of citizen commissions and community development teams, each with a clearly defined scope of responsibility, interagency liaising, preparatory training, and expectation of wider public input and reporting. Such teams and commissions could work in conjunction with elected officials and established government agencies for a limited period of time, then relinquish their position to the next group of lottery appointees. As alluded to earlier, some percentage of government agency positions would be selected via lottery as well. All of this is intended to mitigate the dangers of entrenched government bureaucracies, special interest influence, and career politicians who serve their own interests above those of their constituents. Here, however, citizen participation is mandatory and regular, demanding a high baseline level of education and ongoing awareness about community concerns and governance.

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All of these ideas highlight an important consideration: in order to participate effectively in their own governance, community members will require extensive knowledge in the principles of community resource management, economic development and consensus building, as well as a more rigorous continuation of that education moving forward. To this end, the lessons of past successes should inform the proposed dynamics between government agencies, citizen commissions, grass-roots organizations and direct democracy. These would include empowered community organizing, awareness and development efforts, worker/consumer-owned cooperatives that have worked well, and effective partnerships between CDCs, CLTs and the communities in which they reside. Replicating the checks and balances of the overall political economy, communities would need to integrate the technocratic proficiencies of elected positions, the efficiencies of central planning and coordination, a will of the people that is both informed and compassionate, and many of the risks and benefits of free markets.

Under the same umbrella, the labor and resources that actualize community decision-making would, to whatever degree possible, be sourced from the community itself. How can self-sufficiency in decision-making be fostered if the cost of those decisions isn't borne by the community? As already mentioned, I like the idea of incentivized public funding and participation, where those who contribute the most in terms time, resources or ideas are rewarded with a certain level of benefit from outcomes, such as a certain quality of service, or guaranteed utilization. The valuation of contributions should of course be multidimensional, so that everyone who desires to do so can contribute in some way. But those who refuse to contribute - who consistently demonstrate that they do not value civic participation - should be afforded either fewer benefits, or benefits of lower quality. In addition, wealth generation and management can itself be reframed to the community level, and CDC, CLT and other organizational models could be expanded to include all layers of OSI property abstraction.

In many ways, the specific details of community-centric visions and processes matter less than the importance of engagement and dialogue both within a community, between communities, and between each community and the regional, national and global apparatuses of economy and government. The encouragement that such interactions become more intimate rather than less is paramount. One of the most destructive disconnects of the modern age is the perpetuation of the isolated individual or family that has no relationship with their community, its government and its resources, other than through paying a fee for a service, a tax for infrastructure that is taken for granted, or a vote to empower a stranger they have never met who will make decisions for them. This distancing of cause-and-effect into non-relating, discompassionate, reflexive and often apathetic exchanges is a principle destroyer of social cohesion. To reverse this trend, we need to reconnect with each other. Still, the question persists: how do we achieve a new, more cohesive model in the most organic ways? That is, a way that isn't imposed from the top down, or purely theoretical? It's all well-and-good to champion a new vision...but how do we reify it?

This vision will require memetic propagation through multiple vectors, some of which are organic and grass roots, and others that are more hierarchical and top-down, mirroring the mixed economy model itself. On the more organic side, we have individual self-nourishment, small study groups, neighborhood organizing, and cross-cultural artistic expressions of the *unitive principle* - all educating open-minded folks, encouraging cohesion, and energizing grass roots activism. This is not about indoctrinating abstract ideals, but providing structures and processes for an extant, innate impulse; we all yearn to love, grow and thrive, to live compassionately and

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joyfully, but we sometimes need reminders of how to do that together, and how to call on the skills and wisdom we already have within us. If these reminders are provided through integral, community-oriented communication that appeals to every walk of life and every stage of moral development, the rising tide of consciousness truly will lift all boats.

In the next level of propagation, we have organizations of various sizes that pilot a more egalitarian, democratic and distributed forms of governance and benefits-sharing. For example, non-profit community banking systems; K-12 schools that are administered jointly by students, parents and teachers; community cooperatives that generate renewable energy; and businesses that shift from a traditional organization and ownership to worker-owned cooperatives. Then we have community level organizers, leaders and activists that initiate ad-hoc citizens commissions to champion communal decision-making. These pioneers can lobby to amend charters of established municipal and regional decision-making bodies so they incorporate communal processes. They can also create non-profit organizations that serve community interests with community input, and advocate community-centric models through other forms of change agency.

At the more centralized end of the spectrum, we have existing and proposed democratic structures that can initiate necessary reforms to government institutions. Reforms like eradicating cronyism through campaign finance restructuring, lobbying restrictions, term limits legislation and so forth. Ideally, all elections could be publicly funded, and corporate influence eradicated, via constitutional amendment. A funding program could also be developed to assist workers with worker buyouts. All of this could coincide with reforms to K-12 curricula that advance the *unitive principle*, critical thinking and mutually empowering dialogue, and enhance the esteem of multidimensional reasoning and nourishment. And of course part of that reform could include pilot programs that demonstrate the infusion of direct democracy into central planning across all divisions of government; for example, allowing USPS workers and customers, rather than Congress, to vote on Postal Service policies, priorities and employee retirement funding.

However, we know from history that such positive modeling and inculcation by itself is insufficient. Decades of successful alternative governance and economies demonstrated by planned communities, community organizing, direct democracies and worker cooperatives around the globe have not persuaded the dominant memplex of oligarchic capitalism to make room for those alternatives. Likewise, populist movements have only nudged the established order by tiny increments. And despite the escalation of environmental degradation and illnesses linked to pollution, despite the erosion of personal freedoms and endless disgorgement of deceptive groupthink, despite the exploitation and suppression of the poorest and most desperate populations of the world and a spiraling host of other maladies, the masses either remain unmoved, or only intermittently and briefly interested. So there must also be active resistance to, and disruption of, the status quo.

There are many ways to do this. One is to attenuate the "bread and the circuses" (*panem et circenses*) that appease the masses and medicate away any desire for revolution or reform. When the society of the spectacle (Guy Debord) is first exposed and then undone - when non-relating, commoditized social life is firmly disrupted - a facilitative vacuum allows people to create more authentic connections with each other. If an emerging majority of artistic expression, mass media, sporting competitions and popular culture embodies moral creativity, inviting constructive participation in civil society as a compassionate imperative, this would go a long way toward

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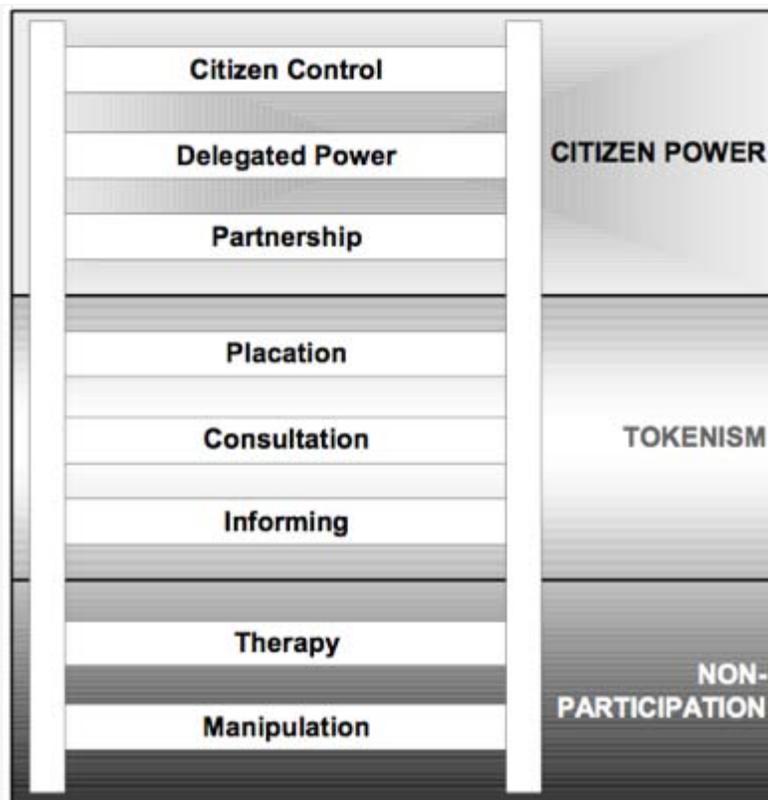
interrupting the pleasurable distractions and manufactured crises that currently mesmerize the American electorate. It would unmask the distastefulness of complacency. Eliminating this medication will not, in and of itself, inspire the most indifferent of our citizenry to embrace civic duty, but it will allow necessary space for a long-suppressed recognition that everyone can contribute to civil society, and even enjoy doing so. Then, in conjunction with the proposed encouragement of multidimensional nourishment and moral development, fertile ground is generated for even greater liberation.

There are other avenues of activism, of course, such as making the cost of perpetuating plutocracy so painful to the plutocrats - and the alternatives so compelling - that they voluntarily relinquish control and even contribute to a solution. In concert with such efforts are constitutional changes that deprive corporations of a fictional "personhood" status in law, restructure legislatures into a more proportionately representative bodies, revoke all avenues of cronyism and neoliberal subversions of government, and enable many of the other top-down reforms already alluded to. But again, for these to happen, I suspect the creature comforts, class privileges and insulation from existential concerns enjoyed by the modern elite will require systematic interruption. For in the same way that the society of the spectacle distracts the masses from the deplorable reality of their condition, the cocoon of wealth and presumed entitlement insulates plutocrats from the horrific tragedies their opulence wreaks on the rest of the world.

Of course, most of this is speculative, a vision of what could be derived from observations of history, successful systems found in other parts of the world, what I have observed firsthand in successful organizations, all seasoned with equal parts intuition and optimism. Really, though, what do I know? Only that, without prerequisite moral development, activism of any kind will only create new iterations of old systems and patterns with a fresh coat of paint. To escape ourselves, we must evolve ourselves. Only once we have begun that process can we shift our focus to utilizing the most effective mechanisms of change. Once we refine civility in our heart of hearts, we can begin to refine civil society.

With this in mind, here is one additional tool to shape that efficacy. In her article, *A Ladder of Citizen Participation* (Journal of the [American Planning Association](#), Vol. 35, No. 4, July 1969, pp. 216-224), Sherry Arnstein proposed an insightful way of describing different levels of civic engagement. The "rungs" of her ladder are self-explanatory, but suffice it to say that our goal should be to actualize our way to the top rungs of *citizen power* through civic engagement and activism, whatever form those efforts take. Anything less is, well, really just a variation on the spectacle.

### **Arnstein's Ladder of Citizen Participation**



As erosions to the status quo coincide with the expression of new, more compassionate structures, the *unitive principle* has opportunity to take root. Then, as individuals, communities and whole cultures increasingly adopt responsibility for shared well-being, patterns of consumption, and the sustainable productivity of civil society, then the power and wealth of vestigial oligarchic structures will be diluted until community-centric processes overtake them entirely.



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## The Importance of Fine Arts

With respect to activism, [socially engaged art](#) can have a significant impact not only in raising awareness around certain issues, but also engaging community in participatory solutions (Nato Thompson has documented many such efforts).

Artistic self-expression, participation and appreciation is also an effective way to nourish the Playful Heart dimension of being within the context of Integral Lifework. But I also believe art has a much more significant role in our spiritual life and cultural evolution, as hinted at by many writers, thinkers and creatives over the centuries.

(Excerpted from [Art, Spirit & Consciousness](#))

I would posit there is *a certain something* offered by creative genius that penetrates our senses to the very core of our being, and shapes our personal evolution in unexpected ways. In *Concerning the Spiritual in Art*, Wassily Kandinsky offers a specific term for this impact. He calls it "Stimmung," the power of art to capture the essence of something, which in turn evokes a strong response in those who encounter the art. Kandinsky explains that when art has Stimmung, it offers "the

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artistic divination” of the subject’s inner spirit. He further suggests that, when people are open to it, Stimmung can have transformative effects – stimulating beauty, harmonizing emotions, feeding the spirit and elevating the soul. I suspect this is why the call to artistic expression, that “inner need” that compels artists to create, is so strongly felt. It is our soul communicating the intuited essence of something with other souls, a fundamental drive to connect our innermost Self with the Universe and with other motes of consciousness, a yearning for unity and transcendence.

Integral thinkers who have attempted to map artistic expression to consciousness and spirituality – or articulate the relationship between them in some way – have come to some interesting conclusions. Sri Aurobindo frequently alluded to art in his writings as a revelation and expression of the soul and the essence of things, and as a means through which humanity can encourage its own spiritual evolution. As he writes in *The National Value of Art*: “Between them music, art and poetry are a perfect education for the soul; they make and keep its movements purified, self-controlled, deep and harmonious. These, therefore, are agents which cannot be profitably neglected by humanity on its onward march....” And later in the same, “A little of this immortal nectar poured into a man’s heart transfigures life and action. The whole flood of it pouring in would lift mankind to God. This too Art can seize on and suggest to the human soul, aiding it in its stormy and toilsome pilgrimage.” For Aurobindo, who himself wrote poetry, creative expression had a critical role in both seeking and understanding the spiritual truths within, and in shaping our spiritual evolution.

Jean Gebser also saw art as revealing the secret, spiritual structure of things. He observed in *The Ever Present Origin* how artists of his era were breaking out of cages of dualistic, rationalistic thought and introducing a more unitive sense of being into their work, in particular by freeing themselves from linear concepts of time. For Gebser, this freedom from rigid constructs, this “breaking of the at-once” into artistic expression, demonstrated an emerging integral consciousness; it confirmed that a latent spiritual reality was working in and through human consciousness to help us transcend self-limiting perspectives. In this way, Gebser asserted that art can render our soul, our spiritual origin, increasingly transparent to us. As Gebser writes regarding Cézanne in *The Invisible Origin (Journal of Conscious Evolution)*: “This participation in the infinite that contains and irradiates everything like the origin – if not identical with it – is genuine nearness to the origin: the harmony of human and universe, the overcoming of the dualism of the creator, the painter, and the created, the picture.”

In *Meetings with Remarkable Men*, G.I.Gurdjieff makes an interesting observation about spiritual teachers. To paraphrase, he says that someone’s understanding and integration of any spiritual teaching is dependent on the teacher’s maturity and development – it is the teacher’s mastery of spiritually being that transmits the most important content, not their words. I think this applies equally to art, in that the impact in both a spiritual and aesthetic sense is influenced by the skill and spiritual depth of the artist, and a more profound resonance can be achieved when the artist is particularly gifted and allows the artistic muse to possess them completely. Even so, this does not mean that the artists themselves must of necessity be spiritually evolved...just potent vessels of transmission. In fact it seems quite rare to find someone who is both spiritually and artistically advanced. Perhaps we can find hints of this in the music of Hildegard of Bingen, the poetry of Hafiz, the paintings of Fugai Ekun and the works of a handful of others. And at the other end of the spectrum, there are certainly spiritually evolved folks who have little artistic skill or interest. So, on the whole, there seems little correlation between personal spiritual evolution and artistic genius, which again reinforces the idea that great works of art that resonate with the depths of our soul – and even inspire us to grow and change – do not of necessity issue from spiritual masters. Consider a work of art that inculcates a more compassionate worldview and challenges us to change – a book like

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Harper Lee's *To Kill a Mockingbird*, for example. Or art that evokes a sense of awe and wonder about the Universe and its many possible forms of consciousness, such as Stanley Kubrick's *2001: A Space Odyssey*. Or art that sends our heart soaring with intimate longing, such as Samuel Barber's *Adagio for Strings*. Were Barber, Kubrick and Lee especially evolved or enlightened human beings? Perhaps in some respects they were, but if they are really like diviners and soothsayers, *they didn't need to be*. They were simply channeling something that was both an essential spark of their humanity and a universal spiritual truth.

Among the many who have speculated on the intersection of art, spirit and consciousness, a few come to mind who offer some helpful opinions. Hegel expounded frequently on the topic, and from his lectures in Jena we have these insights:

"Art, in its truth, is closer to religion – the elevation of the world of art into the unity of the Absolute Spirit. In the world of art each individual entity gains a free life of its own through beauty. Yet the truth of individual spirits is in their being one element in the movement of the whole. Absolute spirit knowing itself as absolute spirit: this absolute spirit is itself the content of art, which is only the self-production of itself, as self-conscious life reflected in itself. In art, this individual self, this one, is only a particular self, the artist – but the enjoyment on the part of others is the selfless universal intuition (*Anschauung*) of beauty."

In Schopenhauer's *The World as Will and Idea (Die Welt als Wille und Vorstellung* as translated by R. B. Haldane and J. Kemp), he has much to say on the topic as well:

"Genius, then, consists, according to our explanation, in the capacity for knowing, independently of the principle of sufficient reason, not individual things, which have their existence only in their relations, but the Ideas of such things, and of being oneself the correlative of the Idea, and thus no longer an individual, but the pure subject of knowledge. Yet this faculty must exist in all men in a smaller and different degree; for if not, they would be just as incapable of enjoying works of art as of producing them; they would have no susceptibility for the beautiful or the sublime; indeed, these words could have no meaning for them. We must therefore assume that there exists in all men this power of knowing the Ideas in things, and consequently of transcending their personality for the moment, unless indeed there are some men who are capable of no aesthetic pleasure at all. The man of genius excels ordinary men only by possessing this kind of knowledge in a far higher degree and more continuously. Thus, while under its influence he retains the presence of mind which is necessary to enable him to repeat in a voluntary and intentional work what he has learned in this manner; and this repetition is the work of art. Through this he communicates to others the Idea he has grasped. This Idea remains unchanged and the same, so that aesthetic pleasure is one and the same whether it is called forth by a work of art or directly by the contemplation of nature and life. The work of art is only a means of facilitating the knowledge in which this pleasure consists. That the Idea comes to us more easily from the work of art than directly from nature and the real world, arises from the fact that the artist, who knew only the Idea, no longer the actual, has reproduced in his work the pure Idea, has abstracted it from the actual, omitting all disturbing accidents. The artist lets us see the world through his eyes. That he has these eyes, that he knows the inner nature of things apart from all their relations, is the gift of genius, is inborn; but that he is able to lend us this gift, to let us see with his eyes, is acquired, and is the technical side of art."

Who else might we include? Too many to quote, really. But here are a few more, including some well-known artists and thinkers:

"Art is not an end in itself. It introduces the soul into a higher spiritual order, which it expresses and in some sense explains." –

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Thomas Merton, from *No Man is an Island*

“Every man who steep himself in the spiritual possibilities of his art is a valuable helper in the building of the spiritual pyramid which will some day reach to heaven.” – Wassily Kandinsky, from *Concerning the Spiritual in Art*

“I don't know whether I believe in God or not. I think, really, I'm some sort of Buddhist. But the essential thing is to put oneself in a frame of mind which is close to that of prayer.” – Henri Matisse

“It's not about what it is made of nor how it is made, it's about inspiration of function that renders and touches the soul, which makes craft 'art'. Craft is based on functionality, and spirituality is the basis of art.” – Jacques Vesery, from his artist statement.

“We believe that the *teyotl* or wave of life is at the core of imagination and the creative impulse, the driving force in nature and human evolution, the seed of eternal transformation.” – Juan Javier Pescador & Gabrielle Pescador, from their artist statement.

To conclude, then, I believe it is possible to subjectively confirm artistic inspiration as spiritual in nature, just as many artists, mystics and philosophers report it to be. We can also say that from this ineffable spiritual font – whether via artistic muse or mystical peak experience – many diverse and wonderful expressions have manifested spirit as created reality. And when we encounter such art, these emanations evoke a connection between emotion and intellect, between a felt sense of intuition and conceptual insight, and between soul and mind. Within these communications, different states and stages of perception-cognition flow into and out of existence, inviting art to participate in consciousness, and consciousness to participate in art. So from one perspective spirit energizes art, which then energizes consciousness. And from another perspective consciousness energizes spirit, which then energizes art. And so on in countless entanglements. And when we approach the artistic process in this way, we begin to touch upon concepts of spiritual evolution found in Plato, Plotinus, Aurobindo, Teilhard de Chardin, Arthur M. Young and others, concepts which help us define all of existence as a spiritual work-of-art in progress. Within this milieu, what I have proposed would make artists important and perhaps essential agents in the evolution of humanity and the Universe itself. So, not only priests and priestesses of the mystic impulse as I once described them to be, but keepers of an eternal flame that draws us ever-onward through continuous transformations of being. Perhaps this is a hefty burden to place upon artists, but it can also be embraced as a sacred privilege.



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## Public Information Clearinghouse

Initially I had conceived of this idea as mainly for producers and consumers of goods and services - as a way to manage that relationship in an informed way, based on people's values orientation and hierarchy. Then I realized that this actually extends to all information in all areas of life, and has particular import for an accurately informed Direct Democracy. For example, what is the consensus around some concept or approach in a given discipline? What is the proven efficacy of a given treatment, medication or procedure? What independent confirmation of a set of facts is available from another source? How are sources of information rated, in terms of their historic veracity? What is the highest quality data available on a particular historic or current event? How can we have easy, fluid access to alternative viewpoints on a given topic, with tools to analyze those perspectives?

Right now the answers to such questions will be generated by the exhaustive diligence of the information consumer, or their trust in a given information authority or source, or whatever pops up at the top of their search engine results. And this is really not a good system, especially with respect to maintaining and informed

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electorate. Instead, independent, competing non-profit organizations, with oversight from both elected officials, citizens councils and [Daily Direct Democracy](#), can be implemented to offer not just the huge wealth of information available on the Internet, but **portals to analyze, sort, prioritize and verify that information** according to different methodologies, algorithms and self-defined preferences and values.

In addition, there could also be a central aggregation site for all of this competing information *that ranks veracity and relevance of resources* — again filtered by requested topics, fields of study, values alignment, etc. On the centralized site, there could be two independent ranking systems: technocratic “expert” ranking scores by those who meet established thresholds for qualifications, and a non-qualified crowd-based ranking. In other words, rankings could be differentiated based on quality of knowledge and quantity of popular sentiment, much the way [Rotten Tomatoes](#) evaluates movies and TV shows.

At the decentralized end of the spectrum, the Public Information Clearinghouse could also utilize blockchain data storage, competing Open Source aggregation interfaces and search facilities, and openly transparent tracking of all edits and revisions (much the same way Quora.com has retained a history of all changes and by whom). There is no reason the Clearinghouse must be centralized, as long as the quality of information can be maintained (through user ID verification, pruning of trolls and active deception, etc.). As with all other Level 7 efforts, there is a necessary prerequisite of moral maturity both individually and collectively, or the effort to achieve *helpful information that facilitates healthy democracy* will fall short.

Critically, the Public Information Clearinghouse will also likely become a check-and-balance for the Fourth Estate, as an independent mechanism that holds professional journalism accountable to veracity and integrity.

As another example, here is how I had initially proposed such a clearinghouse could assist people in their search for products and services — clearly this is about big, deep data and carefully crafted searching and organization tools:

(Excerpted from [True Love](#))

“I would propose that a clearinghouse be established for both consumers and producers, so that every layer of production, distribution and sales can be scrutinized through existing avenues of data mining and reporting. Anyone should be able to search that clearinghouse based on customized criteria, with an easy-to-understand rating system for each set of values. The goal would be to quickly and easily answer questions like these:

- How much labor does this company outsource, and where is it outsourced to?
- Does this service provider support fair labor practices? What is their record in this regard? Am I paying for sweat shops, prison labor, illegal immigrants, workers from oppressed populations if I spend my money here?
- Does this manufacturer participate in environmentally responsible methods?
- What was the outcome of lawsuits against this company, and how many lawsuits or settlements have there

been for the last three years?

- Is it a public or private company? Who owns a majority of shares, who are the members of its board of directors, and what are the personal values, goals and ethical profiles of those owners and board members?
- Are executives and managers held accountable for implementing values-driven business plans? Is exploration of personal values part of the hiring and managing process?
- Were animals used in product testing? Are products harmful to animals?
- Has this corporation ever participated in bribing public officials? In drafting legislation? In lobbying efforts?
- What is this manufacturer's overall record of reliability and cost of ownership for all its products?
- What level of customer satisfaction has been independently verified, and can it be sorted by demographic?
- How well are female employees compensated at this company compared to men? What about minority employees? Do they hire older employees? Have they ever forced out aging workers?"



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## Why Do We Need Technocrats?

Here are some of the drivers that increasingly demand technocratic proficiency in the coming age:

- 1. Exponentially increasing complexity and scale in all human systems and processes.**
- 2. Accelerating rate of cultural, intercultural and technological change.**
- 3. Compounding interdependence in relationships across human systems and between different arenas (local, regional, national, international).**
- 4. Exponentially enlarging spheres of data, information and knowledge across all areas of study and application.**
- 5. Hyperspecialization of knowledge and language among ever-widening differentiation in subspecialties.**

**6. Individual and collective human superagency, where the scope of consequences of a given action or decision can have tremendous short and long-term impacts.**

**7. Global diffusion and democratization of knowledge.**

There seems to be a prevailing fantasy that humans will be able to rely on Artificial Intelligence, automation and autonomous robotics to help them navigate many of these issues. But I think that is both technologically unlikely in the near future, and an unnecessary and potentially dangerous capitulation. Much more likely — and in my opinion necessary — will be the augmentation of human intelligence and role definitions to better manage our noosphere and agency and extend our capacity. In my own 15+ years of IT consulting, I developed an adage that seasoned technology geeks have always agreed to be true: *Computing is really great, and really powerful, until you have to rely upon it.* Specifically, human beings have not mastered the design of systems that can self-organize or contextualize complex input; instead, we have remained stuck at the same level of functionality in this arena — regardless of Moore's law and the sophistication of software programming: "Garbage in, garbage out." In other words...if humanity ever does cede its decision-making responsibilities across a majority of societal systems and processes, there will almost certainly still be technocratic class tasked with programming, administering, maintaining and repairing computer intelligence; there will be human watchers observing and managing the AI watchers observing and managing human activity.

Alternatively, if there were to be some sort of technological singularity that took over in a big way — or if human beings eventually voluntarily gave up all of their agency to machine intelligence and technological determinacy — this would effectively resolve the challenge I am outlining. It would also effectively resolve the requirement for human existence. There is plenty of dystopian science fiction along these lines to illustrate the concerns over this fate circulating through the zeitgeist. So in my view this offers us one more argument for the necessity of technocrats and our active planning and cultivation of this group.

With respect to Level 7 proposals, the necessity of technocrats at all levels of government institution, within NGOs, and across all layers of the enterprise schema is obvious. There will be technocrats specializing in common property share allocations, currency backing, transfers and social credits system integrity and security. There will be technocrats who oversee energy production and distribution. There will be technocrats who specialize in research, information organization and input vetting for the Public Information Clearinghouse. There will be journalistic technocrats elected to the [Fourth Estate](#) to safeguard the integrity and authenticity of information propagated by all media (inclusive of social media), and to watch over other branches of government in order to hold them accountable in the public sphere. There will be technocrats proficient at navigating and regulating the legal system, medical care and polycentric governance. And there will be technocrats who specialize in interdisciplinary communication and knowledge integration at the highest levels. It is inconceivable that without such specialization and expertise that an increasingly global civilization can function at all — let alone thrive. And this is regardless of subsidiarity, distribution and diffusion — because the interconnectivity, interdependence, growing knowledgebase, superagency, accelerating change, and complexity will all still be in play... probably for the rest of human existence.

A substantive difference within Level 7, however, is that technocrats will not be a privileged class. Respected and appreciated, sure. But their passion for a given specialty will need to be intrinsically rewarding for them, because they will

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not wield any special authority or position of influence over the rest of society. Instead, they will contribute to the direct democratic process in a consulting capacity — sages to advise the electorate, citizens councils, citizens assemblies, provide [Delphi method](#) policy recommendations, etc. — and as elected or appointed administrators and managers within worker-owned free enterprise the Universal Social Backbone. In such roles, their influence will be dependent on the moral maturity and civic engagement of the rest of society, as direct democracy weighs in on any policy, program or methodology they champion or design. I think this will be a difficult balancing act, and it will mean that diffusion and democratization of knowledge will have to pass a tipping point, where the electorate learns enough to humbly recognize just how ignorant and incompetent it can be, and the current epidemic of Dunning-Kruger armchair expertise attenuates of its own free will.

The increasingly global reaction to the seven drivers listed above has been to long for simpler times past, to deny that change is happening, to reassert arbitrary individual agency in the face of systemic failures and alienation, to scapegoat outsiders, and to invest in bloviating strongman leaders who brashly promise impossibilities — only later to admit they did not realize how complex or difficult managing reality has actually become.



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## The Tyranny of Private Ownership

First, an excerpt from [The Goldilocks Zone of Integral Liberty](#)

### ***Are Conventional Conceptions of “Negative Liberty” Sufficient?***

In a word, no. Both the conventional presentation of negative liberty and its representations in classical liberalism are not sufficient for the subjective felt experience of personal freedom — at least not for everyone in society, and that is our aim. In the common parlance of contemporary political discourse, negative liberty mainly represents a formal ideal of non-interference, and one which is too far abstracted from real-world conditions to result in the *actual* subjectively felt experience of unfettered individual agency. This is fairly easy to demonstrate. If I am left manacled in a prison cell, chained to a wall with no food or water, completely unable to alter my current situation, and with no prospect of relief, I am still free to think and say anything I like. I have absolute freedom of thought and speech, but I do not have freedom of movement, and eventually I will starve to death. In this sense, then, I only have *partial and temporary* negative liberty. To remedy this partiality, I will need to be set free from prison, have my manacles removed, and have access to food and water. All right then, let's say I'm set free.

I now have freedom of movement. Unfortunately, in my current half-clothed, filthy, half-starved condition, I still do not have access to food and water, and because I am fresh out of prison, *I also don't have the supportive means to procure it.* I have no employment, no lodging, no property...nothing at all that I can trade for sustenance. And if I live in a society that advocates private ownership of most of the resources around me, then my lack of supportive means definitively results in *an inability for me to alter my condition.* My only recourse would be to either beg charity from my fellows, or steal what I need to survive. Some might argue that I could simply find employment and thereby earn my way out of deprivation, thus recovering my ability to exercise freedom, but such a proposition indicates a glaring lack of personal experience with abject poverty. Why? Because my current condition is desperate — I am weak from hunger and barely clothed, and even if I were to gain immediate employment, I certainly will not have the physical and mental energy or stamina to work hard enough or think clearly enough to succeed at any task for more than a short time. These conditions continue to indicate that I lack the supportive means to alter my situation, *even though no one is actively interfering with my freedom to pursue such means.* Thus a lack of basic supportive means equates interference with liberty, regardless of my abilities or intentions.

This is, I suspect, why proponents of “positive” liberty have had significant practical problems with classical liberal conceptions of negative liberty; it tends to remain *partial and temporary* even when some supportive circumstances are improved. In this example, I have freedom of thought, freedom of speech, freedom of movement, freedom to advance my condition, and zero interference from anyone else to remedy my own plight. I have been afforded complete and unimpeded negative liberty by society. But I am not really free, because the socioeconomic conditions in which I find myself interfere with my fundamental opportunities to survive and thrive; my physical and material deprivations effectively rob me of liberties available to others *who already have supportive means* (which, it should be noted, they may have earned themselves, or which may be a gift of circumstance, social status, marriage, or family and friends). Thus without an equivalency of supportive means — in this case without equivalent access to food, clothing, shelter and employment — I will be unable to exercise freedoms available to everyone else, freedoms which those who have obscured the fundamental nature of liberty *will inevitably take for granted.*

However — and this is a crucial point — the supportive means to maintain liberty are nearly always only granted to those who have reliable foundations for liberty, and (again in the real world) these foundations include more than simple physical health and basic material resources. To be truly equivalent, all people must have access to the same quality of education, the same ability to travel over distance, the same flexibility and availability of free time, the same assurance and quality of justice and collectively approved rule of law, the same quality of care for mental and physical health, and so on — such things clearly being *in addition* to the aforementioned freedom of thought, speech, movement and the minimum facilities of material and physical well-being. Without these foundations, aspirations to liberty are just desires without facility. In addition, for negative liberty to be effectively equivalent for all members of society, it must also be blind to cultural barriers created by social class, race, gender, age and indeed any stigmatizing characteristics that do not, in the actuality of a person's day-to-day achievements and demonstrated potential, alter their abilities or performance. In other words, all people must also have access to the same freedom from prejudice.

The stark reality of anyone's subjectively felt experience of individual freedom will be framed by all of these conditions; to ignore their significance is to misunderstand how liberty itself comes into being — how it is created and maintained by society, rather than magically endowed upon a lucky few who have access to plentiful resources, pursuing their intentions without the tremendous resistance and competition experienced by the less fortunate. Misunderstanding this reality is a

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fundamental error of individualism, which views the world self-referentially, fixating over self-entitlement, self-reliance and the defense of egoic freedoms, without appreciating the relationships of that self to everyone and everything around it. By embracing a more interdependent perspective, we give prudence to approaches that appreciate the dynamics of co-creative freedom, contextualizing the social self amid relationships with everyone else...and *everything* else (i.e. community, the environment, other polities, culture and history, and other levels of interaction not yet identified, etc.).

From the perspective of the poorest members of any market-based society, these foundations for liberty are often perceived as the perks of the affluent, as inaccessible as they are rare. From the perspective of the affluent members of that society, these foundations are frequently perceived as the natural consequences of one's focused effort and native intelligence. Both perspectives are flawed, because what is really at the heart of the disparity are societal expectations of private property and individual wealth accumulation in a commercial exchange economy, and the consequent capacity for individuals to transfer that property and wealth to whomever they choose — most often their own offspring, friends and peers, and members of like-minded affiliations. That is, to transfer the foundations of liberty to those of their choosing, resulting in the exclusion of those not chosen. I call this *the tyranny of private ownership*, and like all of the other conceptions discussed here, it too has also been collectively created and maintained by society.

In the case of modern State capitalism, we have a collective acceptance of a market-based economy — enabled by property laws, contracts and financial systems enforced by the State — in which assets may be accumulated without restraint, then fluidly translated into social advantage, political influence and legal power, also facilitated by the State. And while attempts to secure the foundations for liberty via the State (i.e. civil rights laws, socialized infrastructure and services, polices to counter discrimination, social welfare for the poor, democratic controls, etc.) have had varying degrees of success, the amplification of supportive means that individual wealth accumulation and control over property affords has routinely either undermined or far exceeded these State-enforced efforts at equalization.

This is, in fact, how private ownership has become increasingly tyrannical, directly interfering with the liberty of anyone who does not have such accumulations of wealth or control over property. And as long as any society perpetuates such tyranny, the natural consequence will be that some individuals and their families will have ample foundations of liberty available to them, while the rest of society will not. As long as private property and individual wealth accumulation are central features of a given economy, that economy will inevitably tend towards feudalism — no matter how artfully disguised in Constitutionally enshrined liberties that feudalism may be — because of the corrosive force that concentrations of wealth inevitably produce.

Thus the formal concept of negative liberty must be contextualized in real-world experiences, experiences which point toward much broader, more egalitarian structures that support civil society, and a much more precise and multifaceted formula of intersubjective agreement, in order for freedom to exist at all. To clarify, I do not mean various levels of *ability* or *opportunity* to exercise freedom, *but the freedom itself*. In this sense I concur with G.A. Cohen's evisceration of these differentiations with respect to wealth in his lecture, *Freedom and Money* (2001), where he artfully describes how "poverty demonstrably implies liability to interference." As he writes:

"Consider those goods and services, be they privately or publicly provided, which are not provided without charge to all comers.

Some of the public ones depend on special access rules (you won't get a state hospital bed if you are judged to be healthy, or a place

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in secondary school if you are forty years old). But the private ones, and many of the public ones, are inaccessible save through money: giving money is both necessary for getting them, and, indeed, sufficient for getting them, if they are on sale. If you attempt access to them in the absence of money, then you will be prey to interference.”

I am simply extending this logic to include additional variables beyond wealth that have precisely the same impact on freedom — that is, as Cohen might phrase it, their “whole point...is to extinguish interference.” For the practical purposes of ensuring *actual* freedom that avoids *actual* domination, the ideal must be reconciled with the real. If my subjective experience is that my individual sovereignty is being wholly disrupted by conditions beyond my control — whether by the direct actions of others or a system in which the status quo indirectly oppresses me — then my subjective experience of unconstrained free will is effectively destroyed; I am dominated, enslaved and deprived of agency as a result of external factors. This may be difficult for proponents of traditional conceptions of negative liberty to accept or appreciate, especially if they are unable to see beyond their own privileges and status. But I think it long overdue for our society to take responsibility for the oppressive harm narrow conceptions of freedom ultimately impose on anyone who lacks appropriate foundations for liberty.

Now, does this mean that notions of “positive liberty” — that is, authorizing and enforcing conditions that allow everyone the same opportunity, means and ability to exercise free will — are somehow more comprehensive or correct? Not necessarily, because the aim of creating a level playing field can also impose constraints on unwilling parties, so that they subjectively feel coerced and oppressed. I think when advocates of positive liberty include interior freedoms, these are important considerations, and we will address them shortly. But the assumption that the power to self-actualize — the granting of the subjective experience of free will — should somehow be authoritatively enforced as an unqualified empowerment or entitlement is indeed a precarious, often paternalizing road, clearly having the potential to interfere with liberty itself. At the same time, if we focus only on negative liberty in terms of simplified conceptions of external interference, we are also likely to neglect some of the more nuanced but persisting impedances to felt experiences of personal freedom.

*(Read more at [The Goldilocks Zone of Integral Liberty](#))*

Second, an excerpt from [Private Property as Violence: Why Proprietarian Systems are Incompatible with the Non-Aggression Principle \(NAP\)](#)

The proposition here is that the condition of private property is itself an act of violence. This is not to say that it only causes violence, or somehow indirectly invites violent conditions; no, the assertion being made is that private property is itself a violent act. How? Through exclusion and deprivation as forms of deliberate aggression. With careful consideration we will see that this assertion is both obvious and readily evident in the real world – it’s just not readily accepted under the current status quo. Let’s begin with some straightforward examples.

First, a property owner need not be present for property ownership to do violence to others. Consider your family getting lost in a dry desert area. When you come upon an oasis where I have enclosed all of the available water, you believe your family will

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be saved from dehydration. But I have locked the enclosure securely, as any property owner has the right to do, removing what was once freely available water from public access. So the vital resource your family needs to survive is not available, simply because proprietarian controls were imposed. In such instances, it is merely the condition of private property that is doing harm. The intent to exclude or deprive others is conscious and deliberate, but the predictable negative consequences are being ignored.

There are of course circumstances where the owner of property has a duty to rescue (or be a good Samaritan) as a matter of social convention or established law. If I am drowning in the open ocean, and the only nearby means of rescuing myself is to crawl up into your boat, then the fact that you own that boat – that it is your private property – means that you have the power to decide whether or not I will survive. In such instances, however, there is a “duty to rescue,” which intervenes to override what would otherwise be lethal exclusion and deprivation created by private property in such a situation – you will be required to use your boat to help a drowning person. It should be noted, however, that duty to rescue laws are negating private property rights in such instances; the owner is losing control over their possession.

In many other situations, however, a property owner does not have a legal obligation to use their property to help someone else – even though compassion or societal expectations may create a sense of cultural obligation. If someone is trying to escape from harm – from a dangerous storm, or violent mob, or toxic air, or lethally cold temperatures – a property owner is not required to allow them access to safety, and this is specifically a consequence of private property rights. As the rightful owner of property that could potentially provide shelter or safe haven, you can decide to watch me die right outside of your door, with only your conscience to mitigate consequences. In some U.S. States and localities, there are laws about contacting emergency services on behalf of others when we observe they are in imminent danger...but even that isn't a universal or codified expectation. Again, this indicates a de facto characteristic of private property that perpetrates violence on non-owners. In the most obvious moral sense, non-action (not using one's resources to aid others) in these situations is – from the perspective of the person being excluded and deprived of aid – an act of aggression.

This same principle extends to intellectual property as well. If you own the patent for a drug that can treat my chronic disease or terminal illness – or save my entire community from suffering or death – you have the right to negotiate whatever payment you desire from anyone who needs that drug to alleviate suffering or prevent loss of life, and you can entirely control its production. Your property rights place you in a God-like position of determining my fate and the well-being of my community. You can, essentially, commit murder with impunity via the rights of exclusion and deprivation inherent to your intellectual property rights. Even when we remove the State (i.e. patents) from the equation, to “own” an idea that benefits others, but instead use it to enrich oneself at the expense of others' safety and well-being, is a prominent feature of conceptions of private property.

And so it goes...the condition of private property can exclude and deprive any non-owner from accessing sustenance, shelter, safety or aid, directly resulting in real suffering, grievous harm, and death. And the rightful owner of a given resource need not be present to actively direct this exclusion or deprivation – because these are the default conditions of private property itself. Thus the aggressions of private property can occur via an inanimate gate, lock, fence or wall, or by the implied threat of violence toward anyone trespassing those boundaries, or by the withholding of vital information and ideas that would otherwise prevent harm, and so on.

*(Read more at [Private Property as Violence](#))*



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## Common Property Shares

The concept of community-centric common property shares is intended to address the following issues:

- Establish a record keeping and trading unit for common ownership of property at all levels of abstraction (see OSI representation in [L7 Property Position](#)).
- Help migrate away from fiat money and leveraged debt over time, creating semi-fungible backing for currency.
- Enhance collective consciousness and responsibility for all commonly held resources.

Here is a summary of the basic idea....

Right now when we stand in almost any location - populated or not - and look around, most of what we see are things that other people individually own, or things that corporation own. Cars, buildings, businesses, parks, forests, pastures and so on. But what if, instead, when we looked around at the same things, we felt a sense of communal ownership? And what if

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we knew - in a calculable, easily estimable and indeed semi-fungible way - the precise portion of that collective ownership that we had? And what if, just as common shares accomplish in business enterprises today, those shares also represented a voting right in how that property is managed, utilized, safeguarded and so forth? That is what common property shares are meant to accomplish.

Of course this relationship with public assets is already somewhat true regarding things like National Parks, the BLM, the Interstate Highway system, but here the relationship is abstracted by highly centralized representative democracy, a fairly mysterious and opaque allocation of tax dollars, and a subjective disconnect from complex and often bureaucratic management processes for publicly held resources. With common property shares there is an additional layer of direct control over such such resources - that is, in addition to citizens councils, daily direct democracy, and other Level 7 [democratic reforms](#) outlined here. But how does this work?

It's fairly simple really. There would be a universal data repository - an accounting and tracking system - of all commonly held assets that acts as the backing for currency. So, when we look around us we will see the actual backing for the currency we use in our economic transactions. If those assets are maintained, the value of our currency is likewise maintained; and if those assets are depleted or destroyed, the value of our currency is reduced and/or our shares are reduced. Of course, there would need to be a carefully balanced proportionality between local, national and international currency valuation and local, national and international common ownership systems; we would want to diffuse (or aggregate) the backing variability as much as possible to create stability, while still encouraging localized contributions to the whole. Some universal percentage of the common property shares would therefore be allocated to district, state and national common repositories, as distinct from community allocations. In this way, the backing for currency is as diffused as the issuance of currency.

Now we need to ask: what constitutes an asset? And this is where things get interesting, because, using concepts inherent to *holistic valuation* in an L7 property position, what a community creates or shepherds as "valuable" can correlate with any of the dimensions of Integral Lifework - across all layers of OSI abstraction, and across all scopes and arenas of social good. In this way, a community can increase its total common property shares, and the individual holdings of property shares among community members. From community to community the emphasis may vary, but the framework is shared across all communities (which is what makes the community assets semi-fungible after all). In many ways, these common property shares are a concrete representation of political obligation or collective agreement around civic responsibility and engagement.



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## Community Coregroups

Many thinkers and writers have proposed alternative political economies that depend on an advanced (and often ever-advancing) level of moral maturity, critical thinking capacity, and general education to function. To be persuaded by conscience, to navigate complex and multidimensional truths, to be free of reflexive groupthink and tribalistic loyalties...all of this requires not only refinement of thought and exposure to a wide range of competing ideas, but also a supportive environment and interpersonal relationships to learn, grow and exchange ideas.

I outline one way to create such an environment - the Coregroup - below.

What would be the curriculum of such Coregroups? Clearly some of the philosophical, historical, developmental, **evidence-based** approaches discussed in this website need to be part of that mix. But does Level 7 (or the "Integral Lifework" framework) need to be included? Not necessarily. But genuine facts — facts that counter neoliberal propaganda and the destructive delusions of market fundamentalism — do require prioritization. More

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importantly, however, the essence of the Coregroup is its reliance on nonviolent communication, open dialogue, and sincere inquisitiveness to arrive at collective insight and mutual support of more sophisticated moral values. Coregroups are participatory in nature, rather than dogmatic or pedantic...*and that is the key to their success around voluntary efforts to actualize egalitarian principles.* In combination with the [pilot principle](#), [revolutionary integrity](#), and a [multi-pronged approach to activism](#), the Coregroup can generate effective seeds for collective change within communities, organizations and institutions.

Why is the Coregroup a basic building block in Level 7 proposals? Because in addition to creating a participatory process, Coregroups are about building trust and relationship within a given community. The assumption here is that there are two ways of approaching consensus, cooperation and contribution in any civil society: 1) We can create rules and institutions that “inculcate, coordinate and enforce” collective agreements within a more legalistic quid-pro-quo, or 2) We can rely upon a much older psychosocial phenomenon in human social organization: mutually supportive relationships where investment is more spontaneous, compassion-centric, and relational. In other words, rather than being persuaded to operate within the bounds of civic agreement because of a sense of duty, tradition or obligation, the Level 7 citizen is encouraged to contribute because they care about cultivating relationships with their fellow citizens; *where their civic engagement is an outgrowth of interpersonal engagement and social belonging.*

(Excerpted from [Being Well](#))

The basic idea of how these groups work has come from many years of teaching classes, leading discussions, and being involved with support groups of many different types. And although the idea is simple, it won't always come naturally, and may take some practice. What makes this approach so different is that it asks participants to follow a specific format, and provides guidelines of how to interact with each other in a group. The format and guidelines call upon us to be humble, compassionate and self-controlled in ways that may seem uncomfortable at first, but which really pay off in the long run in extraordinary ways.

The format of the group is a combination of guided discussion and meditation. The “Guide” can be anyone, and in fact I encourage that role to rotate among all members of the group, with a new Guide for each session. If it's a newly established group, anyone can be a Guide. With an established group, participants should attend at least four sessions before volunteering for the role of Guide. The Guide's responsibility is to offer up the discussion questions, allow everyone in the group to participate, to remind people of guidelines if they forget them, and to follow the format below as closely as possible. The Guide doesn't answer the questions or comment on them, but encourages everyone else to do so and keeps the discussion going. The ideal Integral Coregroup size is between six and twelve people, and the format of each session goes like this:

- Everyone is given time to find a seat, take some refreshment if that is offered, and visit a little with each other. This might be for ten minutes or so.
- The Guide then invites people to “check in.” This gives everyone an opportunity to share their name (just their first name or however they would like to be addressed), what is going on in their lives right now, any brief

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announcements they would like to make about upcoming events or resources they think the group would be interested in, and why they have come to this particular session. The check-in should take another fifteen minutes or so.

- The Guide then introduces the topic for the session – which all of the questions will relate to in some way – and then briefly covers the guidelines for participation (outlined below), including the 90-minute time limit.
- The Guide then starts the session by inviting everyone to take a moment of silence together to set their intention for the following hour. That intention is an inner commitment to “the good of All,” however each person feels this in their heart. This is sort of a prayer or meditation that projects goodwill and loving kindness from each person in the group towards everyone else in the group. This might just be a feeling of goodwill and love, or it might be words spoken silently that set our intention. An example of this would be: “May Love and Light arise in me today, and in everyone else here, so that whatever is healing, strengthening and nourishing can radiate through each of us into the world at large.”
- After a minute or two, the Guide indicates that the discussion is beginning. The Guide then asks the first question and leads the group in a minute or two of silent introspection in response to the question. The Guide then invites people to share whatever answers (or additional questions) they have found within themselves. Every person who guides will have a different style of encouraging this sharing. Perhaps they will offer additional questions about each question that is asked. But whatever they do, they must walk a fine line between inviting and encouraging discussion, and pressuring people who aren’t ready to participate. In a well-established group of people who already know each other, discussion will likely unfold naturally and easily. In a new group, some people may understandably be hesitant or shy.
- Whenever someone responds to a question, the Guide will thank them for their thoughts – without judging or evaluating what they have said – and then ask other people to add their own contributions. If someone is taking much more time than others in the group, or interrupting others, or for some reason isn’t able to follow the guidelines below, then it is the Guide’s responsibility to gently and compassionately help them understand this. Hopefully, though, the Guide’s main focus can be to create an inviting space for everyone to contribute. The Guide does not contribute any answers to the questions while they are guiding.
- If participants do have questions about the topic or the questions being asked, the Guide will redirect them to the rest of the group for answers. The Guide is not an authority here – in fact there are no authorities. There are only hearts, minds and souls seeking within themselves for answers. If someone has need of specific resources (introductory materials on the concepts of Integral Lifework, the services of an Integral Lifework practitioner, other resources, etc.), the more established or well-versed members of the group may encourage them to seek those resources outside of the group, but Integral Coregroups are not intended to be a marketing or networking opportunity for professional services.
- When the session reaches the 90-minute mark, the Guide then reminds people of the time limit, thanks everyone for their participation, and then wraps up the topical discussion for that session. At this point, anyone who wants to stay to discuss business items can stay, and anyone who wants to leave can leave. This is a good

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time to have a ten minute break before beginning the business portion of the session.

- After everyone has settled back down, the Guide reminds people of any old business that needs to be addressed, of new business that needs to be decided upon, and invites people to bring up any new business items. This part of the session is often about logistics – who will Guide the next session, where to meet, what time the session will occur, who might need help with transportation, etc. It also might include discussion about social get-togethers, like potlucks, walks in Nature or other group activities. This part of the session should take no more than a half hour, so that the total Integral Coregroup session does not exceed two-and-a-half hours. Some simplified version of “Robert’s Rules of Order” can be helpful for the business portion of the meeting, but groups can come up with their own way of doing business – whatever works!

You can see how the Guide has a lot of responsibility for helping the session be supportive and enriching. People with different personalities and strengths will have different approaches to guiding, but the intent is always the same: to empower the participants. Of course, the Guide isn’t alone in this. Each participant should also commit to helping each session be as successful as possible by following guidelines below. Because everyone will have the opportunity to become Guides themselves, that will help the group members build skills to support each other.

So here are the guidelines for participation, which are the foundation of the Integral Coregroup itself, and in many ways more important than the Guide’s role:

- **Avoiding crosstalk.** Participants may be inspired to share something in response to something another member says. However, there are no right or wrong answers to most questions. There is also no need to correct someone else’s misunderstanding...unless they themselves ask for clarification. Thus all answers and questions should be directed to the group as a whole, not specific people, and participants should refrain from reacting to what someone else shares – other than perhaps echoing the Guide’s appreciation and thanks for that sharing. For example, I might say “I appreciate what s/he just said, because it resonates strongly with something I also feel...” Participants should be very careful not to speak directly to other members of the group during the session, but speak to everyone as a group. Each person should feel safe and supported in sharing whatever they like, as long as that sharing follows the other guidelines below.

- **Appreciating diversity.** Participants are to be as accepting as possible of all types of people, and all points of view, within the Integral Coregroup session. If everyone thought and felt exactly the same way about everything, these groups would not be very enriching...or very interesting! Even when someone says something we think is appalling or offensive, we must train our heart to be compassionate and understanding, rather than judgmental or hostile. We might offer an alternate point of view to the group, but we must recognize that whenever this starts a back-and-forth between two or more participants, things can quickly turn into a debate. And that is not what Integral Coregroups are about. They are about sharing from our heart, then letting go. About listening from the heart, and letting that go, too. If we are in doubt about how to process what someone has shared, we should take a moment to close our eyes, breathe deeply and see past their words into the heart of the person speaking them. After all, that heart is just like ours, with all its pain, grief and joy.

- **Nonviolent speech.** The idea that things we say can hurt each other is not a revolutionary idea. But to create a safe and inviting place for people to share themselves openly, we must be especially careful with the words we use. Speech that expresses prejudice, hatred or disdain is not helpful. Speech that makes us right and someone else wrong is not helpful – especially because the real truth usually lies somewhere in the middle anyway. Words that belittle or embarrass others do not encourage openness. We may have feelings of anger over something being discussed, but in this group, such feelings should never translate into yelling at someone, or calling them nasty names, or putting someone down because they believe or think a certain way. Whenever we feel a strong reaction rising up that we can't control, and that we suspect will disrupt the harmony of the group, we should excuse ourselves from the group for a few minutes to be alone and regain our composure, then return when we are ready.

- **Compassionate silence.** Sometimes a certain topic or question may uncover a well of painful memories and emotions in one or more members of the group. But participants should commit to letting that pain be expressed without trying to comfort or rescue the person in pain. And when I am the person feeling pain – even if I am crying my heart out – I should also not expect other participants to comfort me or change my emotional state. I should not expect anyone to reach out to me, or try to make me feel better. Practicing “compassionate silence” means that the group accepts the pain of one person and allows it to just be. No actions need to be taken. No one needs to respond at all, other than the Guide who will express gratitude for the sharing, and perhaps create some extra time between questions to allow someone who is upset to recover their composure. If someone is so upset they must excuse themselves, the discussion should move forward without them.

- **Guiding the Guide.** Sometimes an inexperienced Guide may flounder a bit in their new role. But that's okay. Other participants with more experience can always offer the Guide the benefit of that experience, and raise a hand in the meeting to clarify a point about guiding (something about discussion format or protocol, reminding the Guide of something they may have forgotten, helping them manage a participant who is challenging the guidelines, etc.). Since everyone will have a chance to take on this role, being a Guide is really a shared responsibility for everyone in the group. However, it is important that each person find their own way into a style of Guiding that works best for them, so participants should only consider “guiding the Guide” when things are getting really off-track.

- **Speaking from the depths.** Participants should take the opportunity provided after each question to look deeply into themselves for answers, trusting that there is deep wisdom within them. Then, when they speak, they should offer that insight as honestly and simply as possible, without feeling a need to explain or excuse it along the way. Sharing might be a story, an experience, an insight, or a raw emotional confession. Whatever arises in response to a question can be a powerful support to others in the group, so there is no reason to hide it away, and every reason to share it.

- **Equal time.** Everyone should be allowed equal time to share. Sometimes, especially with newly formed groups or when someone new joins an established group, one or two people can end up dominating the discussion without meaning to. Some people may find it easier to speak in a group, or hold stronger opinions about a certain topic, or feel a stronger need to make themselves heard. At these times, it is the responsibility of the Guide to remind everyone of the equal time guideline, and, if necessary, ask particularly vocal participants to

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allow others more of an opportunity to share. When offered in a nonjudgmental spirit of kindness, gentleness and warmth, this reminder is usually enough to help even the most talkative person become more generous.

- **Privacy.** All participants commit to keeping what they learn about each other within the group. As tempting as it might be to blog about something, or share it with a friend, or even bring it up with the person who shared after the group is over, it is very important that all participants refrain from doing this. For sharing to be honest and safe, no one should feel like they will be gossiped about or confronted after the session has concluded. Of course there would be exceptions if someone has threatened to harm themselves or someone else, or to engage in dangerous criminal activity, in which case it may become necessary to involve professional resources that can intervene or encourage participants to seek professional help. While Integral Coregroups are intended to be healing and transformative, they are not meant to become a primary resource for someone in crisis, someone on the verge of committing a crime, or someone in need of intensive personal therapy.

What about people who just don't want to follow these guidelines? At one extreme, there may be people who may want to remain silent and not participate at all. At the other extreme, perhaps there are folks who can't help being disruptive or hostile during their participation. And then there are those who just keep forgetting about one guideline or other. Since this whole process may be very new and different to people, it is important to be patient. It may take a lot of time and many gentle reminders to create an Integral Coregroup that operates smoothly. Then again, there may come a point where one person's inability to follow Integral Coregroup guidelines becomes increasingly destructive to the group as a whole. At this point, if it is the consensus of the group, it may become necessary to ask the disruptive person to leave the group if they are unable to change their behavior. A conversation with the uncooperative person should be conducted privately, quietly and compassionately, with clear expectations about what needs to change and why. Whatever the outcome, it should be for the good of everyone involved.

There are many other issues that will arise over the course of Community Coregroups that are not addressed here, but these guidelines and definitions can get you started. *I hope to offer additional resources on this website in the future for creating, coordinating and finding local Coregroups.*



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## Friendly Competition?

What does “friendly competition” look like...?

Throughout my life, I have really enjoyed playing sports, and I believe we can find a helpful analogy regarding friendly competition in those experiences.

In my twenties in Seattle, WA, I loved to play Ultimate Frisbee on the weekends, on one of they many grassy stretches of park beside Greenlake in the northern section of the city. It was always the same core group of players, with new additions joining in over time, and we evolved a simple style of game to maximize our exercise, entertainment and joy of play: we called it “zero-to-zero.” Each week we would create two different teams, deliberately aiming to distribute the best players between them as they arrived at the field. This often meant that players who opposed each other one week would be on the same team the following week. We would then kick off our game. Much of the time, because of how we distributed players, the skill level was very close to equal, and the competition became extraordinarily intense. With closely matched teams, everyone “upped their game” to try to get the Frisbee into the end zone. Sometimes an

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individual “long bomb” and catch – or a more complicated and coordinated tight relay – attained an Olympiad level of skill; something truly spectacular. At which point both teams would erupt into cheers and hoots of praise – regardless of which team made the play. And after a hard won point, we would return to opposite ends of the field for a kick-off, and yell “zero-to-zero” as we began again – regardless of the actual score. These were some of the most athletic, intense and gloriously fun Ultimate Frisbee games I have ever participated in, with the level of play accelerated and perfected to an inspiring degree by what I can only describe as “friendly competition.” And because we all knew we were in it for fun – and the score would always be zero-to-zero – the more edgy and aggressive one-upmanship of traditional game play was replaced with real caring, camaraderie and compassion. For example, each team would also have its equal share of entry-level players, or players who just weren’t that athletic, and the more skilled and experienced players would always make a concerted effort **in almost every play** to share the frisbee with those beginners. And why not? We were all there to have fun and share the joy and excitement of Ultimate Frisbee; to teach and grow together, regardless of skill level. And so we all improved together, and bonded, and trusted each other, and executed some kick-ass teamwork that is rare even among the best professional players.

Of course I have also played team sports that were more about testosterone, aggression, dominance and winning. Where keeping score was sacrosanct, and “beating” the opposing team was a matter of dutiful, gritty honor. And I think that flavor of competition has permeated many professional and amateur sports to their detriment. It is unnecessary and often counterproductive, leading to many more injuries, ego trips and antagonistic feelings both between teams and within teams.

When applying this principle to competition between services providers, or producers of products, or political parties, or community leaders, or non-profit institutions, or within educational models...I think we can immediately see the benefit of shifting away from antagonism, aggression and “us vs. them” egotism to a more egalitarian and inclusive model of competition. Competition is indeed healthy...**if it is a healthy form of competition.**



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## Linking Micro & Macro Development Programs

While it is fairly easy (and common) for positive results of development aid to be measured at the community or organizational level (micro), it is much less common (and much more difficult) to measure the positive impact in terms of GDP, overall wealth production and distribution (per capita income, etc.), or fundamental economic or other improvements to the broader target culture (macro level). The argument generally goes something like this: if there aren't adequate trade, fiscal, monetary and banking stability (and lack of corruption) already in place, then developmental aid is just "pouring more water into a broken cup." Right now it seems as though there is contradictory data about the best approach to development aid - depending on what metrics and analysis methodologies are used - and ongoing doubt about efficacy of existing approaches. Some data analysis shows a consistent positive correlation between aid and growth over an extended period of time, and other approaches to the same data are less confident of any correlation. However, at the micro and meso levels there is a sound consensus about how to measure positive outcomes. Suffice it to say that, although this seems to still be an unresolved question in some circles, the studies that utilize the most variables over the longest

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periods generally confirm that there may not be a micro-macro paradox at all.

Here's my take on this... Suppose you have to aid programs. One targets providing cell phones to rural entrepreneurs in a specific region (micro), and the other targets developing wireless infrastructure across an entire country (macro). The benefits of the micro program are easy to measure, right? The entrepreneurs either flourish because they now have cell phones, or they don't, and this will become evident in a relatively short time. But how do we measure the constructive benefits of the macro program? It may be several years - perhaps decades - before the national wireless network is fully utilized. Also, there is more opportunity for corruption, cutting corners, lack of performance accountability and other interference for the macro program, so the larger investment may seem riskier and less sound. But what if we then fold the micro program into the macro program, and show that (obviously) the successful micro program won't work in certain areas of the country unless the macro program is funded as well? I think this is the sort of metaphorical linkage that could help doubters understand why there may sometimes *appear* to be a micro-macro paradox, when actually there isn't. It also may be the key to driving larger investments, using the pilot principle, that deliberately link micro and macro development projects as they facilitate targeted Level 7 outcomes.



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## Disempowerment and Denigration of Women and Feminine Power

(Excerpts from the [Blurts & Spasms Blog](#))

Western culture has a problem with empowered women. From a historical perspective this is easy to observe — and we'll cover some of that briefly — but the more interesting and relevant question is: why? Why have women been so persistently held back, oppressed, dismissed, denigrated, ridiculed, shamed and abused both institutionally and culturally in so many Western societies? Why, in a country like the U.S.A. where liberty and opportunity are so highly prized, have women been subject to these same prejudices? And lastly, it seems obvious that any cultural currents underlying the denigration of women were particularly relevant in the 2016 U.S. election — but what is really going on here?

About the history. Some potent reminders of the subjugation of the feminine:

- Around 85% of the witches executed in Europe and the American Colonies during the witch hunts of the 15th through 17th centuries were women.
- In medieval Europe, women who spoke their minds in public — or challenged their husband's authority —

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could be subjected to public shaming via iron masks that they wore for a day or longer.

- It wasn't until the mid-1800s that women began to receive substantive rights to their own property in the U.S., Britain and Europe; before that, husbands and fathers controlled their property.
- The post-enlightenment awakening to the importance of higher education for women resulted in the first all-women colleges in the mid-1800s and a growing concern for primary school education for girls all around the globe. Up until this time, however, it was mainly men who were encouraged to pursue education (other than in a religious context, such as Catholic convents). In many Muslim countries, however, female education has trended in the opposite direction in recent decades.
- Women's suffrage around the globe is a particularly glaring indication of female disenfranchisement: it wasn't until 1920 that women had the right to vote in the U.S.; 1928 in the United Kingdom; 1944 in France; 1946 in Italy; 1952 in Greece; 1954 in Columbia; 1955 in Cambodia; 1990 in Samoa; 2015 in Saudi Arabia.
- In terms of basic human rights, 189 members of the UN felt it imperative to ratify the [Convention on the Elimination of All Forms of Discrimination Against Women](#) in 1981. As of this writing, Somalia, Sudan, Tonga, Iran, the Holy See and the United States have refused to sign on.
- Considering that women in many parts of the United States — and many parts of the rest of the world — still have challenges asserting both their reproductive rights and their right to equal pay, we can see that the double-standards regarding female empowerment persist into modern times.



Shaming Masks - Photo Credit Craige Moore, [Creative Commons License 2.0](#)

Is this longstanding prejudice in the Western world a consequence of religion? No. The mistrust and disempowerment of the feminine has nothing at all to do with religion — though religious institutions have happily taken up female oppression and regressive conservatism in service to their parent cultures. As Christianity has been the dominant religious institution in the West, we can explore it as an example. In the New Testament, Jesus is a radical feminist for his time. He elevated women's positions above cultural norms, honored female disciple's behaviors and attitudes above his male disciples, responded to women's requests and admonishments even as he chastised men's, ignored cultural prejudices around female sexuality and physiology, and forgave women of their most culturally despised sins. And, for a time, this liberation of the feminine endured; in the early Church, women held positions of authority, influence and honor. In fact, there are only two short Paulian verses in all of the New Testament that place women in subjection to men, and there is a high likelihood that those were introduced ("interpolated") into the scriptural canon long after the earliest Christian texts were written. (For more on Jesus' radical feminism, [see this excerpt from \*A Progressive's Guide to the New Testament\*](#).)

So what happened? Pre-existing culture happened. Everywhere we look in those first few centuries of spreading

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Christianity, the surrounding cultures were astoundingly oppressive toward women: beginning with North African culture, Jewish culture, and Roman culture...and eventually arriving in Northern Europe. These were societies where women were treated as slaves, traded like chattel, and sometimes killed ("exposed") at birth because they were less desirable than male offspring. And as Christianity gradually gained institutional authority in these regions of the world, it also gradually adopted the dominant memes of those cultures. Jesus' example and the practices of the early Church regarding women were almost completely abandoned. So what began as a seemingly deliberate attempt to liberate women was often turned on its head in favor of existing cultural traditions.

Now Northern European cultures are an interesting, diverse and complex study in themselves — so can we really generalize about "anti-feminine" sentiments in this way? I think we can, mainly because of the historical evidence. We know of only one European culture that had hints of strong matriarchal traditions, and that was the Picts, whose culture and language had been diluted, assimilated or erased by the end of the first millennium. But, as alluded to, the West isn't the only place where women are second class citizens. Many North African cultures have a problem with empowered women as well. And here again it has nothing to do with religion, colonization by Northern Europeans, or any of the other lazy explanations that are frequently invoked. Take for example female genital mutilation and child brides — these traditions predate the arrival of Islam, Christianity and the northern invaders by centuries, and persist equally across these cultures regardless of the dominant ethnic, religious, economic and political orientations. For example, Ethiopia is a predominantly Christian country with completely different geography, ethnic groups and politics than Mali, a predominantly Muslim country; but they both practice FGM to an astonishing degree (74% and 89% respectively), and child brides are bartered off at about the same rate in both places (41-60%). Here again, cultural traditions seem to be the dominating factor, far outweighing any other influences.

But we must return to the *why*. Why are women so habitually denigrated? One theory that has been advanced by anthropologists and other researchers is that the cultural value of women was higher in peaceful and resource-abundant regions of the world than where resources were scarce or there was more competition with other inhabitants (see Hayden, Deal, Cannon and Casey). As the theory goes, because men had the physical advantages to become successful hunters and warriors, men gained prestige and authority in environments where those traits were important, and women's roles became more supportive or subservient. Another theory posits that the introduction of writing and literacy pushed institutions and cultural authority away from the holistic and concrete oral traditions perpetuated by women, and into a linear, abstract and reductionist realm dominated by men (see Shlain). Another theory promotes the idea that the advent of privately owned land, agriculture and animal husbandry introduced the idea of reproductive ownership and control of resources through inheritance, where provable lineage and female reproductive capacity became essential mechanisms of patriarchal power that men felt compelled to control (see Ryan and Jethá). Yet another theory is that male-centric, warlike tribes steeped in cultural habits of domination invaded more egalitarian, cooperative and peaceful regions where women participated as equal partners, and proceeded to subjugate those cultures to the warlike-masculine-dominating archetype (see Eisler).

Although all of these theories have interesting evidence and merit, I don't think any of them adequately explain female oppression. There is simply something missing — something more fundamental, more persistent, more

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universal...and more *inherent*. What is it? Well I think the underlying issue centers around *the relationship between testosterone and similar dietary, cultural and physical habits* that have arisen independently around the globe. Yes...you heard me: *testosterone and dietary, cultural and physical habits*. Bear with me here, as I think this will all come together nicely. To appreciate how this synthesizes, we need to understand something about human physiology: specifically, we need to appreciate the effects of testosterone on human behavior and development. Here are some of those well-documented correlations. Testosterone:

1. Beginning in the eighth week after conception, testosterone stimulates fetal differentiation to become male.
2. Strongly influences development of muscle mass and strength (and retention of these over time).
3. Has tremendous impact on sexual desire and impulses.
4. Increases feelings and expression of vitality, aggression and confidence.
5. Strongly correlates (and changes) with position of social dominance (higher testosterone reflects a higher position of dominance) and a desire to compete.
6. Seems to correlate with increased objectification of sex partner as a means to gratification (higher testosterone = higher objectification; interestingly, there is evidence that estrogen has a similar effect).
7. Offers strong correlations with violent criminality (higher testosterone levels in the most violent criminals).
8. May contribute to impatient, impulsive, risk-taking personality traits.

We should note that there are genetic predispositions, socialization, learned behaviors and other factors in play as well in all of this — and that correlations between certain behaviors and testosterone may indicate more of cofactor relationship than direct causality — but for now the details of those discussions will remain outside of our scope. *Also, we should appreciate that many of these correlations are equally true for both women and men*. What, then, in the most simplified terms, stimulates or sustains testosterone production as people age? Here are some broadly held conclusions regarding that:



Combat Then & Now - see more at <http://toadlandproductions.com/Joust08/index.htm?detectflash=false>

1. Intense exercise, especially in bursts of activity and using the largest muscle groups.
2. Intermittent periods of fasting.
3. Having lots of sex, and lots of thoughts about sex.
4. Low carb, low sugar, low grain, high protein diet that includes healthy fats.
5. Receiving regular doses of Zinc (oysters, crab, other shellfish, beef, chicken, pork, beans, garlic, mushrooms, spinach, whole grains).

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6. Receiving regular doses of Vitamin D (seafood, egg yolks, beef liver, beans, mushrooms, cheese).
7. Maintaining low levels of body fat.
8. Consuming foods with BCAAs (like cheese and cottage cheese).
9. Engaging in aggressive, risk-taking or violent activities.
10. Maintaining a competitive, dominance-oriented worldview and behaviors.

Can you surmise which cultures — historically — have promoted nearly all of these testosterone-enhancing components of diet, cultural values and physical habit as part of their societal norms...? Quite interestingly, most of them happen to be the very same cultures that have dominated the globe for centuries. Speaking specifically to pre-industrial proclivities of British, European and (post-colonization) North American cultures: what were the dominant features of day-to-day living in terms of diet, social mores and activities? Consider the habits, attitudes and appetites of explorers, the colonizers and imperialists, warmongers and revolutionaries...all those dominators *who reveled in engineering competition and subjugating others in every aspect of life*? Certainly we could have a chicken-and-egg debate around which came first — high testosterone levels or the conditions that helped to maintain them — but the historically prevalent power brokers and change agents in these cultures seem to be poster children for testosterone-enhancing lifestyles.

We can then even piggyback onto Jared Diamond's hypothesis in *Guns, Germs and Steel*, asserting that perhaps testosterone has been one more actor that helped facilitate the Eurasian hegemony. And inherent to that testosterone-reinforced dominance (or at least thematically and biologically consistent with it) is patriarchy, male chauvinism, and general devaluation of the feminine. Even when women are themselves "masculinized" by testosterone and testosterone-enhancing activities, they likewise become aggressive, competitive, dominating, risk-taking and violent — establishing their primacy over everyone else who is "weaker." Thus a primary feature of testosterone-reinforcing diets, culture and physical habits could at once be both the subjugation of other cultures, and the principle of "masculine" dominance, objectification and commoditization of others — from slaves to sex workers to sheeple...and most certainly "the weaker sex."

### **Testosterone-Dependent Dominance Systems**

Now when we take a moment to step back and think about this hypothesis, one thing that rapidly becomes clear is that much of modern Western society is no longer conforming to its historical testosterone-producing advantages — at least not in many substantive ways. Habit-wise we have become much more sedentary, are consuming a lot more sugar and carbs, are gaining a lot of weight, and are generally amplifying the preconditions for Type II Diabetes in several ways. We are also exposed to a host of industrially produced antiandrogens (pesticides, insecticides, phthalates in plastics, and parabens in soaps and pharmaceuticals) that disrupt testosterone expression. Which begs the question: is the same level of testosterone-induced behavior still

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in play? Well I think it is...but only for those who succeed within the vestigial socioeconomic systems, traditions and institutions preserved from earlier eras. Remember the correlation between social position and testosterone? Well when human beings deliberately operate within a system that encourages and rewards aggressive competition, dominating tactics, oppression of anyone perceived as "weaker," physical and sexual prowess, and patriarchy, the primacy of testosterone and its ongoing production is also encouraged *in those who dominate*. And that symbiosis amplifies itself over time, as testosterone in turn reinforces the attitudes and behaviors that produce it. It is a classic "[The Wolf You Feed](#)" dynamic where the testosterone-rich dominate the testosterone-poor.

Which is certainly one reason why — in our competitively capitalistic, hierarchically corporatist, domineeringly commercialized culture — men receive more pay than women, owner-shareholders lord it over worker-consumers, law enforcement perpetrates violence against citizenry, girls are sexually objectified at a young age, nearly half of all women experience sexual assault, the [Stanford Prison Experiment](#) had such predictable results, and nearly half the electorate fears allowing an empowered and experienced woman to become POTUS. It all fits hand-in-glove. And it doesn't seem to matter how cooperative, genteel, educated, mutually supportive, peaceful or egalitarian a society becomes — the *tyranny of testosterone* can still undermine all such progress and reverse cultural evolution toward fascist sentiments and masculine-authoritarian leadership styles. More than just promoting a "Strong Father-Ruler" archetype to quash any spark of matriarchy, the tyranny of testosterone becomes a biological imperative to perpetuate reproductive primacy and control. In a pervasive — perhaps even global — societal reflex to stave off cultural male menopause, the fear of feminine power has become a sort of mass hysteria; irrational to its core, but also grounded in the physiological realities of the developed world that explicitly or implicitly erode testosterone-dependent dominance systems. One has to wonder whether the rise of Islamist fundamentalism in the developing world isn't at least in part another indicator of this same hysteria: men seeking to reassert masculine power as they see it being eroded around them.

Thus feminine power is not merely about a woman having positional influence, it's about a woman exercising power dynamics that are *alternative and contrasting* to testosterone-related, "traditionally masculine" ones. It's about a different mode of social organization, a different flavor of collaboration, a different pattern of interaction and communication, indeed a radically alternative political economy. Is it time to let go...? To elevate and embrace feminine power, and attenuate the masculine? I think it probably has been for some time, but even as the collective balls of society continue to shrink, the more conservative and fearful elements of our culture thrash against the inevitable, hoping through their frantic, last-ditch efforts to secure just a little more time for testosterone's reign. And so we arrive at the 2016 U.S election, where the archetype of feminine power was at least partially embodied in Bernie Sanders and Hillary Clinton. Donald Trump, by contrast, clearly expressed himself to be shaped by traditional masculine power, with no hint of the feminine and *a clear discomfort with anything resembling feminine power*. Hillary, as the Democratic nominee for U.S. President, became the sole locus for cultural male menopause hysteria, with all its attendant fears and worries around demasculinization. But it was not because Hillary is a woman and Donald is a man that this archetypal tension runs so deep — it was because they each represent such different orientations to power...and to testosterone.

Before concluding, I think it responsible to at least give a nod to [men's movement](#). I actually think the issue of oppressive gender roles applies equally to men, in that men often feel trapped in the same cultural expectations

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that should concern *all equal rights activism*. In terms of causality or blame, it doesn't really matter that the mechanisms that brought, for example, male dominance of civic institutions into being were "patriarchal" or "misogynistic" in nature, if the roles and responsibilities regarding men that are championed or imposed by those institutions are subjectively oppressive for men. For example, the gender inequality we find in military service, or high-risk jobs, or how custody and child support are awarded, or the imposition of a breadwinner role, or indeed differences in suicide rates and criminal sentencing. In these areas, men are definitely at a disadvantage, and any remedies we seek to enable greater equality should take such disadvantages into account. In this context, I think we should be aiming for a clearer demarcation between what I have described as testosterone-driven attitudes, proclivities and behaviors, and what "should" define masculinity. In fact I think we can point to testosterone as a central actor in the systemic oppression of everyone here — *both women and men*. That said, I realize that I have probably reinforced a dualistic gender bias by referring to *masculine* and *feminine* power...so perhaps we need to come up with a more gender-neutral, multidimensional language in such discussions. In this sense, it appears I still need to escape the cultural conditioning of my own language, as I have admittedly been immersed in some fairly radical feminism from a very young age.

To wrap things up, there are currently a few contrasting theories about the impact of testosterone on human cultural development. One indicates that lowering levels of testosterone in humans around 50,000 years ago facilitated more prosocial behaviors, and therefore stimulated the first art, technology and blossoming of culture (see Cieri). Another goes to the opposite extreme by asserting that testosterone is responsible for critical masculine functions and advances in human civilization (see Barzilai). Another hypothesis elevates the role of cultural conditioning in how much testosterone is generated in certain situations, indicating that biology itself is shaped by culture and reinforces that culture (see Nisbett & Cohen, and Richerson & Boyd). It is this last theory that I think is the most interesting, because it indicates a more nuanced relationship between the internalized beliefs that result from cultural conditioning, and how our bodies respond and adapt to culture *according to those beliefs*. The implication is that our choices and experiences over time will shape both our individual psychology and collective cultural evolution — not just in how we consciously shape our institutions, but in how our internal hormonal cocktail conforms to, and facilitates, those societal expectations.

For further reading:

[https://en.wikipedia.org/wiki/Women%27s\\_rights](https://en.wikipedia.org/wiki/Women%27s_rights)

[https://en.wikipedia.org/wiki/Women%27s\\_suffrage](https://en.wikipedia.org/wiki/Women%27s_suffrage)

<https://en.wikipedia.org/wiki/Testosterone>

[https://en.wikipedia.org/wiki/Sexual\\_motivation\\_and\\_hormones](https://en.wikipedia.org/wiki/Sexual_motivation_and_hormones)

<https://en.wikipedia.org/wiki/Antiandrogen>

<http://plato.stanford.edu/entries/feminism-objectification/>

<https://www.psychologytoday.com/blog/evolution-the-self/200905/the-testosterone-curse-part-2>

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<http://fitness.mercola.com/sites/fitness/archive/2012/07/27/increase-testosterone-levels.aspx>

<http://www.webmd.com/men/features/can-you-boost-testosterone-naturally#1>

<http://www.mayoclinic.org/healthy-lifestyle/sexual-health/in-depth/testosterone-therapy/art-20045728>

<http://www.medicaldaily.com/chopping-trees-increases-testosterone-levels-more-sports-plus-natural-ways-men-boost-hormone-253849>

<http://www.catie.ca/en/treatmentupdate/treatmentupdate-185/nutrition/can-vitamin-increase-testosterone-concentrations-men>

[https://www.researchgate.net/publication/260793461\\_Hormonal\\_contraceptive\\_use\\_and\\_the\\_objectification\\_of\\_women](https://www.researchgate.net/publication/260793461_Hormonal_contraceptive_use_and_the_objectification_of_women)

<https://today.duke.edu/2014/08/feminization>

<http://www.press.uchicago.edu/Misc/Chicago/712842.html>



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## The Rule of Law

### *Proposed Changes to the Criminal Justice System & Rule of Law*

Many of the proposed changes in the rule of law will require [Constitutional Amendments](#) per **Article V of the U.S.**

**Constitution.** Others could be enacted via legislation at local, state and federal levels. Here is a rundown of some of the major changes to be considered:

- Instead of incarceration and rehabilitation - which will be reserved for the most severe offenses - the main mode of accountability for criminal behavior (especially for "victimless crimes") will be reducing access to higher-quality levels of the Universal Social Backbone, and increasing requirements for civil service. In addition, the local community - and especially those victimized by a given crime - would be actively involved in reconciliation with offenders. For more on this conception of justice, see [restorative justice](#).
- A mandate that incarceration for the more serious offenses is intended and structured for rehabilitation, moral maturation, and productive re-entry into civil society of offenders - via training and education (including intensive

integral practice), various modes of talk therapy and medical treatment, and ongoing civic volunteerism.

Incarceration would be viewed not as punitive, but as a way to protect and strengthen civil society.

- The “second chance” lottery: any first offender committing a property crime, or other crime without clear intent to cause serious bodily or existential harm to other people (i.e. a “victimless crime”), would be entered into an ongoing monthly district lottery that vacates their sentence (but maintains their criminal record). In other words, one convicted criminal would be released from incarceration each month in each district under this lottery (the lottery would not apply to convictions not resulting in incarceration).
- Community-level democracy would be implemented with respect to all levels of law enforcement and all law enforcement officers. Law enforcement at every level (local, regional, federal, prison guards, etc.) will be held accountable to local communities via two-stage Daily Direct Democracy. Any law officer at any level can be censured for cause by a community, so that they are restricted from entering that community or be actively involved with that community while performing their professional duties for a set period of time. If the officer transfers to another community after censure, and is consequently censured by a total of three different communities during their career, they will be barred from all law enforcement positions. Likewise, prisoners may vote to censure prison staff for cause - though here such cause may need to be more narrowly defined. The objective in both cases is to empower communities to manage policing behaviors that abuse authority.
- Regarding capital punishment and life imprisonment, it seems like these should be eliminated altogether. Instead, it would seem prudent to investigate the linkages between testosterone and criminal aggression, to see if chemical castration (along with psychotherapy and other medical treatment) is a viable option for long-term behavioral modification.
- Elimination of corporate personhood and free speech rights, and establishment of alternative legal entity designation for businesses and organizations.
- Only women can vote on reproductive rights issues that impact the personal sovereignty of their gender.
- A Fourth Estate established as a formal, independently elected watchdog branch of government.
- Elimination of the electoral college and establishment of two-stage voting, Citizens Councils, Daily Direct Democracy and other democratic reforms that offer the will of the people an advising, oversight and recall capacity in parallel with elected representatives.
- New laws enabling institutional monetary, financial and trade reforms at the national level.



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## Elinor Ostrom's Common Pool Resource Management Design Principles

(Excerpted from [The Goldilocks Zone of Integral Liberty](#))

### ***Possession without Ownership, and Ownership without Possession***

The concept of private property is an irrational, animalistic impulse that, at best, frustrates the mutual benefits of liberty in a cooperative society, and, at worst, progressively undermines individual sovereignty over time across all of that society. In order to achieve the subjective experience of liberty in a universal way, it seems clear that one of our primary intersubjective agreements be that private property and individualistic concepts of ownership attenuate – along with all systems that rely upon them – and that the advantages of common property and systems inspired by horizontal collectivism increase in their stead. This trajectory is also echoed by the *unitive principle* of love, which encourages us to rise above the I/Me/Mine acquisitiveness of immature moral orientations, and toward more generous, charitable and egalitarian standards of interaction. But how can we know what those concepts and systems will look like in the real world...?

## L7 Ostrom Design Principles

Thankfully, once again this work has already been substantively initiated. Elinor Ostrom devoted much of her professional life to studying organically occurring common pool resource management and the advantages of [polycentric governance](#). Through extensive fieldwork and cross-cultural comparisons, she uncovered a consistent set of self-organizing principles that had developed around sustainable natural resource access and utilization in several communities – and which soundly contradicted Garret Hardin’s “tragedy of the commons” being a foregone conclusion. As described in *Collective Action, the Commons, and Multiple Methods of Practice* (2010, p.99):

“Ostrom finally dropped the idea of identifying the *specific* rules that tended to generate success. She moved up a level in generality to try to understand broader institutional regularities among the systems that were sustained over a long period of time. The concept of ‘design principle’ seemed an apt characterization of the regularities derived from this perspective. These regularities were not design principles in the sense that the irrigators, fishers, forest dwellers, and others who had invented and sustained successful common-property regimes over several centuries had these principles overtly in their minds. The effort was to identify the core underlying lessons that one could draw out from the cases of long-sustained regimes, and then to compare these successes with the failures to assess whether the failures were characterized by the same features.”

In 1990, Ostrom offered eight of these successful design principles for consideration in further research in her field. Over the ensuing years, dozens of follow-up studies were performed to empirically validate what Ostrom had proposed. In 2010, Michael Cox, Gwen Arnold and Sergio Tomás performed a detailed meta-analysis of 91 such studies in “A Review of Design Principles for Community-based Natural Resource Management.” What they found generally conformed to Ostrom’s design principles, though they also chose to expand on the original eight for greater clarification and specificity. Here is that result (Table 4, p. 38):

1A - **User boundaries:** Boundaries between legitimate users and nonusers must be clearly defined.

1B - **Resource boundaries:** Clear boundaries are present that define a resource system and separate it from the larger biophysical environment.

2A - **Congruence with local conditions:** Appropriation and provision rules are congruent with local social and environmental conditions.

2B - **Appropriation and provision:** The benefits obtained by users from a common-pool resource (CPR), as determined by appropriation rules, are proportional to the amount of inputs required in the form of labor, material, or money, as determined by provision rules.

3 - **Collective-choice arrangements:** Most individuals affected by the operational rules can participate in modifying the operational rules.

4A - **Monitoring users:** Monitors who are accountable to the users monitor the appropriation and provision levels of the users.

4B - **Monitoring the resource:** Monitors who are accountable to the users monitor the condition of the resource.

5 - **Graduated sanctions:** Appropriators who violate operational rules are likely to be assessed graduated sanctions (depending on the seriousness and the context of the offense) by other appropriators, by officials accountable to the appropriators, or by both.

6 - **Conflict-resolution mechanisms:** Appropriators and their officials have rapid access to low-cost local arenas to resolve conflicts among appropriators or between appropriators and officials.

7 - **Minimal recognition of rights to organize:** The rights of appropriators to devise their own institutions are not challenged by external governmental authorities.

8 - **Nested enterprises:** Appropriation, provision, monitoring, enforcement, conflict resolution, and governance activities are

## L7 Ostrom Design Principles

organized in multiple layers of nested enterprises.

Ostrom had carefully documented that these self-organizing resource management schemas were community-synthesized approaches that did not rely on private ownership on the one hand, or government institutions on the other. At their core, Ostrom noted that communication, relationship and trust among individuals were extremely beneficial ingredients, and that without these factors, noncooperation and resource exhaustion were much more prevalent. At the same time, she frequently reiterated during her career that there is seldom a “one size fits all” solution to all resource management challenges, and thus she frequently turned to *polycentric governance* approaches to any complex economic system.



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# Level - 7

## Tools For A New Political Economy

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## Moral Creativity and the Prosocial Imperative

A fundamental challenge in considering any approach to political economy is our return to a more prosocial mode of operation — both individually and collectively — and a conscious departure from antisocial trends that have increased momentum over the last century. A growing amount of research (in evolutionary biology, psychology, etc.) points to prosocial traits reinforced through group selection and social selection as critical considerations for the fitness of our species throughout most of its history: traits like generosity, gregariousness, cooperation, self-sacrifice, concern for others, helping the weak and so on. But our current global political economy, grounded as it is in industrialized, growth-dependent crony State capitalism, has been striving for over a century to undermine these patterns of fitness — amplifying atomistic individualism, promoting commercialized economic materialism, expounding the primacy of private ownership and profit over civil society, undermining societal cohesion and harmony and so on. So the dominance of what is essentially an antisocial, combative, coercive and antagonistic cultural mode has been intimately bound up in the progression from feudalism to mercantilism to capitalism that sprang up quite naturally from post-agrarian assumptions about private property, exclusive ownership, labor appropriation, plutocratic governance and obsessive egocentrism. Which is why the proponents of the current capitalist status quo are so invested in proselytizing their view of human fitness purely as

## L7 Prosociality

associations of mainly self-interested, competitive, acquisitive, rational individual actors, and this has created a mountain of persuasive propaganda and false assumptions to overcome if we ever hope to move beyond a transparently self-serving agenda (see [neoliberalism](#)).

The result is that we have two competing threads of societal evolution in play; opposing takes on which cultural traits and behaviors (i.e. aggregate expressions of individual evolutionary traits and adaptive behaviors) will dominate or provide the greatest fitness, and which undermine successful evolution of human society. One of these threads is supported by both empirical research and natural empathy, and the other in rather short-sighted (and short-lived, in terms of the totality of human evolution) attachment to aggressive greed. Regardless, however, nearly all decisions made in modern political and economic spheres seem to be grounded in (and intrinsically polarized by) the one evolutionary view or assumption or the other, and the masses of consumers and grass roots activists are also operating — either consciously or unconsciously — *within those same ideological values and energies*. At one extreme, we might encounter hoodwinked voters, religious fundamentalists, imbibers of fake news, and responders to false advertising; at the other extreme, we might encounter soup kitchen volunteers, social workers, healers, therapists, community activists, and socially conscious entrepreneurs. So in a very real sense, these assumptions, ideologies and conditioned habits are *creating* conditions that will evolve society in a specific direction, and indeed seem to be impacting epigenetic trends over multiple generations. In other words, we are generating either antisocial or prosocial traits and habits based on the systems and cultural practices we reinforce — either feeding the wolf of avarice, contentiousness, egocentrism, hostile competition, and self-segregating tribalism, or feeding the wolf of compassion, kindness, integration, harmony and cooperation.

Which is how we arrive at the importance of moral creativity. In a general sense, moral creativity indicates both the preconditions for moral development, and the ongoing synthesis of moral maturity; it describes an aspect of the human condition in which our collective beliefs, aspirations, values and strength of character shape the trajectory of our society over time. In a meta-ethical sense, it is akin to saying "we create our own moral realities," but this does not mean those realities are purely subjective, arbitrary or relativistic. As an example, I write in [Political Economy and the Unitive Principle](#):

*"If we accept the belief that a cohesive and compassionate society, a just and moral society, is desirable and worthwhile, we tend to assign moral weight to this belief. So it follows that the degree to which we are willing to invest in society - from the perspective of embracing collective responsibilities - may depend on our relationship with that basic assumption, the quality of our imagination, our capacity for love, and whatever innate proclivities we possess to make such an investment. In essence, it will depend not only on the quality and quantity of affection for our fellow human beings, but also on our creative capacities for expression."*

Expanding on this basic idea, I would assert that mature moral creativity represents an intersect between [functional intelligence](#) and [advanced moral development](#); in other words, it indicates a high level of self-actualization and integrity in our ability to operationalize our values hierarchy, while at the same time being primarily motivated and guided by inclusive and "wise" moral sensibilities. **But there's the rub: *this can't happen in a vacuum***. The conditions that support the development and expression of all moral imagination are social, cultural, institutional and systemic in nature — in order for mature moral creativity to thrive, it must be

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intersubjectively and interobjectively excited and reinforced; we must address any remedy at all levels — individuals, communities, institutions, governments, infospheres, etc. — in interactive and interdependent ways. Ultimately, there is a synthesis of all such factors that depends on both nature and nurture.

Now what I've covered so far might be considered a fairly confusing or abstruse explanation, and it is dependent on a lot of other concepts that I've developed over time they may not be familiar to the reader. So I'll offer yet another way to approach the importance of moral creativity in the context of evolving and maintaining prosociality....

Let's say moral function runs along a spectrum. At one end of the spectrum is emotionally repressive, antisocial and destructive conditioning that is rooted mainly in fear, and is centered around amplifying and justifying individual egoic impulses (I/Me/Mine). At the other end of the spectrum is a emotionally expressive, prosocial and constructive *mutually affirming interplay* that is rooted mainly in love (*agape*), and is centered around amplifying and enhancing collective well-being. **In this context, moral creativity describes both the consequence and supportive conditions of this mutually affirming interplay;** it is a semantic container for the generative and expressive social dynamics of a compassion-centered moral function, patterns of thought and behavior that invite ever-enlarging and more inclusive arenas of action and intention. So, instead of limiting moral judgments to black-and-white dualism, a vast array of subtle variables and perspectives can be included — ambiguity and uncertainty among them. As such, mature moral creativity can become a self-reinforcing *upwards spiral* toward the greatest good, for the greatest number, for the greatest duration...rather than a *downward spiral* into the freezing wasteland of an isolated, atomistic, self-serving ego that can't help but oversimplify and reduce moral judgments to vacuous polemic. At least...well...it is my contention that this is the fundamental belief that can (even if it is not self-evident to the skeptic) generate its own positive consequences. As is the case with most assertions regarding prosociality, the proof will be in the pudding.

Lastly, we might still ponder: why is moral creativity socially dependent — or in any way conditional? Shouldn't it flow naturally and effortlessly from an individual's state-of-being, regardless of conditions or precursors? In rare instances, and with sufficient strength of character, a person of high functional intelligence and advanced moral orientation could operate as a rebellious non-conformist in a less developed, unsupportive society — at least for a while. But there is ample evidence from human history that the interpersonal tensions such a contrast will inevitably produce most often lead to mistrust, derision, ostracism and conflict — a consequence at the heart of the saying "a prophet is never welcome in their home town." In order for advanced moral function to bear fruit — that is, to instigate an advanced morally creative synthesis — there must *at a minimum* be sufficient social acceptance of a majority of goals and values represented by the proposed moral position, so that it can be collectively reified. This is, in fact, an extremely critical consideration, and it is why I believe the fortified islands of I/Me/Mine that are supported by individualistic, economically materialistic cultures are so antagonistic to human development. It is also why — and this is a main thrust of *Political Economy and the Unitive Principle* — advanced political economies will ultimately fail without careful attention to the issue of moral creativity.

Finally, in order to counter the deluge of contradictory memes in a capitalist society — and then encourage the moral creativity, evolution and maturity that will support any more advanced political economy — I have

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proposed that some form of integral practice and supportive community will be necessary to break what is essentially an ongoing cycle of self-abuse and self-oppression. That is what [Integral Lifework](#) and [Community Coregroups](#) seeks to accomplish in grass roots way — but really this could be accomplished by any concepts, practices, systems and communities that embody our strongest prosocial proclivities in consistent and supportive ways. In other words, creating conditions and communities where interpersonal relationships nourish and strengthen our better selves.

### A Moral Lineage

(Excerpts from [Political Economy and the Unitive Principle](#))

Regarding a moral lineage of Western society, my thinking about the progressive strata of moral valuation was initially inspired by Ken Wilber's research and observations in *Integral Psychology*. Later on, I was delighted to have these ideas reinforced by Lawrence Kohlberg's *Essays on Moral Development*, particularly in his discussions of *agape*. My insights have also been informed by ongoing work with clients and students, some formative mystical experiences, and the perpetual intersection of ideas from a wide range of sources. Among these are Aristotle, Plotinus, Thomas Aquinas, Spinoza, Leibniz, Hegel, Mill, James, Hāfez, Rumi, Aurobindo, J. Krishnamurti, Piaget, Gebser, Merton, C.S. Lewis, Teilhard de Chardin, Freud, Jung, the Bhagavad Gita, the Christian Biblical canon and Nag Hammadi texts, the Dhammapada and Prajñāpāramitā, Plato and Lao Tzu. I also would add fiction writers like Dickens, Austen, Proust, Tolkein, Bradbury, Le Guinn, Steinbeck, Asimov and Philip K. Dick to the mix, as well as the many musicians, poets, painters, filmmakers and other artists who have injected memes into my consciousness over the years. And, like Marcus Aurelius, my own ethics and ideas about moral development have much to do with the friends, colleagues, mentors, lovers and family members who inspired me by example, nudging me onwards and upwards by love's design. Integrating all of these wonderful input streams has been as much a felt experience as an intellectual and spiritual one, mirroring the landscape of moral creativity itself....

Are there other lineages to consider? There are probably hundreds, some of which take an entirely different direction regarding moral function, promoting alternate values hierarchies and different meta-ethical assumptions. As one example, when we remove the ground of loving kindness, we suddenly find ourselves in new territory, and indeed an entirely different heritage of Western thought. We encounter frames like nihilism, egoistic hedonism, Epicureanism and Randian objectivism, where the primary aims of individuals and society are the facilitation of pleasure, unfettered free will, or narrowly defined self-interest. These may become equated with "virtue" to the neglect of many of the other moral concepts enumerated in the love-based lineage; in fact, anything hinting at egalitarianism, benevolence or altruism is sometimes forcefully rejected. As examples, Hobbes and Nietzsche might regard such constructs as contrived by society to corral a naturally brutal or amoral human animal - such aspirations would be imposed or persuaded conventions rather than innate impulses or self-evident virtues.

Unfortunately for Nietzsche and Hobbes, neuroscience has begun to show us that many prosocial ethical responses are hardwired into our neurobiology, and that what we believe to be rational considerations, objective

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self-interest or even conditioned social mores may have far less relevance in our choices than those neurological structures (see the research of Grit Hein, Scott Huettel, Ralph Adolphs or Antonio Damasio for examples). The evolutionary biologist Marc Hauser goes on to assert that our neurobiology is actually genetically predisposed to acquire a universal moral grammar. Moreover, empathic complexity, sociality, and other precursors to moral constructs are readily observable in many primates and other species, as the work of Frans de Waal and Barbara King have extensively explored. And if we entertain Edward O. Wilson's hypothesis - or even Leslie Stephen's ideas in *The Science of Ethics* a century earlier - this social cohesion has provided a critical evolutionary advantage throughout the emergence of homo sapiens; an advantage that, it could be argued, would be existentially risky for us to abandon.

Still, is social cohesion a worthwhile objective? It does facilitate the peaceful coordination of society, and the basic survival of our species, but it also inspires loving kindness between human beings and refines the skillfulness of that loving kindness. This, in turn, leads to a much richer, creative and multidimensional flourishing for all, a thriving that seems essential for intellectual, emotional, cultural and spiritual complexity and advancement; that is, for multidimensional evolution and the enlargement of consciousness. This evolutionary complex can then provide our meta-ethical justification for a consistent values hierarchy; we are still trapped in a self-referential loop, but one that marries pragmatism, love and art.

### Resources and Research on Prosociality

[https://www.academia.edu/33259990/Origins\\_of\\_human\\_cooperation](https://www.academia.edu/33259990/Origins_of_human_cooperation)

[https://www.academia.edu/562112/Evolutionary\\_Perspectives\\_of\\_Prosocial\\_Behavior](https://www.academia.edu/562112/Evolutionary_Perspectives_of_Prosocial_Behavior)

<http://rsbl.royalsocietypublishing.org/content/3/6/664.short>

[https://www.researchgate.net/publication/51235709\\_Evolutionary\\_Foundations\\_of\\_Human\\_Prosocial\\_Sent](https://www.researchgate.net/publication/51235709_Evolutionary_Foundations_of_Human_Prosocial_Sent)

<http://www.iep.utm.edu/altr-grp/>

<http://www-personal.umich.edu/~nesse/Articles/Nesse%20SocSelProsociality-BBS-2016.pdf>

### ***Evolution, Culture, and the Human Mind***

by Mark Schaller (Editor), Ara Norenzayan (Editor), Steven J. Heine (Editor), Toshio Yamagishi (Editor), Tatsuya Kameda (Editor)

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## Political Economy and the Unitive Principle



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# Integral Lifework Concepts, Tools & Assessments

by T.Collins Logan  
Integral Lifework Trainer & Coach

## Introduction

Integral Lifework aims to provide answers to life's most challenging and intriguing questions: Why do we suffer? How can we heal? What is love? What does healthy relationship look like? How can we feel more empowered? Where should we go for answers? How can we improve our discernment and skillfulness? Such questions are as endless as they are relevant. And when we turn away from external dependence, when we disrupt our habit of consuming answers from authorities and traditions outside ourselves, we can begin to look inward. There, in the depths of our being, is everything we need to soften our most potent fears, relinquish our most disruptive impulses, heal from our most jagged wounds, and actualize our most precious dreams. Why would we ever look elsewhere when such power and grace reside within?

However, the promise of external solutions erupts perpetually around us, and the impulse to worshipfully embrace them is often aggressively reinforced. The cultural and institutional pressures to rely on externals and motivate every action with dysfunctional dependence are as pervasive as they are resistant to change. But that way lies madness. External projections of hope are a tonic not for healing, but for a perpetuation of every known malady and the invention of new ones. Science and technology, for instance, cannot rescue us from ourselves but only replace one set of challenges with another. The free market may commoditize innovation and creativity, but it cannot solve any of our most difficult societal problems. Religious dogma cannot escape its orbit around dominant cultural memes, but instead conforms to them over time, no matter how revolutionary its foundations may have been. And the heady heights of acquired knowledge – even those insights that can truly set us free – are not the same as the deliberate, steady and disciplined effort of self-emancipation. There is in fact nothing completely outside of our fragile vessel that will deliver us from barriers to well-being or create a transformative existence on our behalf. We do not bear this burden alone, but we alone are accountable for our choice to heal, grow and evolve. The answers, resources and rewards are all within us.

A friend of mine recently asked: “Do people really change?” I think to answer this question we must first realize that many culturally sanctioned modes of being have conditioned us to live in contradiction to who and what we actually are. So what feels like positive change may really just be letting go of that conditioning, disabusing ourselves of a false identity, and disconnecting our ego and willfulness from those old habits. What can then draw us towards our genuine center is the discovery that gratitude and love are already there within us; they are part of our nature – *dominant* parts, in fact, that can govern most other aspects of our existence if we allow them to. Through mindful interior awareness we will find this truth and unveil an abiding connection with our ground of being, informing loving actions with insight and wisdom. Thus real, substantive transformation is mainly a returning to Self, a gradual *dis-illusionment* that discards substitutions in favor of authentic nourishment. Do people really change? Yes, absolutely. With true love as our compass, we can become more and more ourselves.

What is this critical aspect that resides within? What part of us promises real freedom, strength and transformation? It is our capacity to embody *agape*, to affectionately and compassionately care for all that we are – as individuals, as a collective, as part of the biology and energy systems of the Earth, and as part of the fabric of the Universe itself. Once we begin to embrace our own essential substance, turning away from the superficiality, conformity and half-truths of everything we think we want and everything we think we know, we can encounter the solid bedrock of our existence. And when we touch that solid ground, when we feel its boundless energy and concrete importance, there is no turning back. We can either attempt to deny our soul, or embrace the inevitable momentum of love-consciousness and its evolutionary consequences. This is the central purpose of Integral Lifework, and all of its concepts, tools and practices support that end.

The following are intended as quick references to such concepts, tools and practices. All of these plot along a dialectic arc where interior development is always accompanied by exterior actualization; they all radiate out from the same center and are bound together as inexorable progression, so that their interdependence becomes clear upon careful examination. That said, there isn't much exposition on theory here, so the relevance and context for most of this would need to be understood from the books, essays and other resources developed around Integral Lifework over the last dozen years, and from which most of these tidbits are excerpted. You can access many of these resources, along with further explanations of Integral Lifework itself, at [www.integrallifework.com](http://www.integrallifework.com). Many other related writings, including those which address ethics, politics, economics, and many other topics inspired by my own Integral Lifework practice, can be found at [www.tcollinslogan.com](http://www.tcollinslogan.com). But as with any transformative practice, the most compelling validation will always be experiential rather than theoretical.

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## 1. Relationship Matrix

The following chart provides ways to evaluate existing relationships and understand the dynamics of new relationships as they are formed. The premise is simple: there are many different levels of attraction and involvement, and unless there is a transparent, mutual understanding of what specific combinations apply to any given relationship, we are liable to either be disappointed and frustrated with our experiences, or to inadvertently disappoint and frustrate others.

<p><b>Level of Commitment:</b></p> <ul style="list-style-type: none"> <li>A. <b>Profound</b> (there has never been a question about this being a lifelong and mutually committed relationship)</li> <li>B. <b>Pronounced</b> (one of our closest and most important relationships)</li> <li>C. <b>Moderate</b> (social bonds like work relationships, those between doctors and patients, family members who aren't emotionally close to us, etc.)</li> <li>D. <b>Mild</b> (general commitment to social expectations, such as conforming to laws or traditions)</li> <li>E. <b>Dysfunctional</b> (obsessive, addictive, or compulsive)</li> </ul>	<p><b>Type of Affinity or Attraction:</b></p> <ul style="list-style-type: none"> <li>1. <b>Spirit</b> (a inexpressible but deep attraction that shares a common understanding of events in the context of spiritual priorities)</li> <li>2. <b>Heart</b> (sharing mutually important values, goals and attitudes – including spiritual ones)</li> <li>3. <b>Mind</b> (intellectual affinity – thinking alike or understanding each other's thought process with surprising ease)</li> <li>4. <b>Physical</b> (enjoying how someone looks or moves, the sound of their voice, their smell, etc.)</li> <li>5. <b>Sexual</b> (sexual attraction)</li> </ul>
<p><b>Circle of Intimacy:</b></p> <ul style="list-style-type: none"> <li>I. <b>Devotional</b> (wide open passionate worship that knows no bounds)</li> <li>II. <b>Soul Friends</b> (deep spiritual trust, openness, sharing, mutual support and inspiration)</li> <li>III. <b>Companionship</b> (a comfortable closeness, frankness and mutual trust)</li> <li>IV. <b>Compassionate</b> (an unconditional acceptance and desire to relieve suffering – often initially one-sided)</li> <li>V. <b>Convenience</b> (sharing common, cooperative goals for a limited duration)</li> </ul>	<p><b>Level of Social Acknowledgement:</b></p> <ul style="list-style-type: none"> <li>a. <b>Public</b> (everyone knows)</li> <li>b. <b>Immediate Community</b> (only our closest friends know)</li> <li>c. <b>Private</b> (i.e. "just us" – we only acknowledge it between ourselves)</li> <li>d. <b>Self</b> (we know, but we haven't shared with anyone else – even the other person with whom we feel a connection)</li> <li>e. <b>Unknown</b> (a relationship already exists, but we haven't consciously acknowledged it to ourselves)</li> </ul>

Consider the many flavors of emotion and intention represented in the chart, and reflect on past relationships that have failed in some way. Is there a correlation between the type of connection you anticipated and what you actually experienced? Would the relationship have recovered if either of you had been willing to accept what the other offered, without confining it to preconceived notions of what "should have been?" In

seeking out new friendships, have you been clear in your communication of the levels of connection you are willing to offer and receive? With this matrix in mind, what dynamics can you identify in your current relationships that might be the result of unexpressed or unclear valuations in each area?

This approach can be used for all kinds of interpersonal relationships, each with its unique combination of factors. For instance, one or more levels of Affinity may apply (i.e. we might share both a “Mind” and “Heart” Affinity with the same person). It then becomes that much more complex when one person feels multiple levels of Affinity or Attraction, while the object of their affection reciprocates on a different level. When two people have completely dissimilar understandings of what attracts them, what level of social acknowledgement exists, or what kind of intimacy is expected, the potential for disappointment, frustration and/or conflict is high.

### *Exercise*

Print out two copies of the Relationship Matrix chart, and invite one or more members of your closest relationships to “rate” each area of your relationship while you do the same on the second copy. Be honest and considerate in your assessment – perhaps spending a day or two contemplating it – then sit down together and compare your ratings. Be prepared for surprises. You may find your connection affirmed in new ways, or you may find an area of difference that requires more discussion – it is, in fact, very likely that such a difference has caused tension in the past.

## 2. Integral Lifework Nourishment Assessment

For all thirteen areas of essential self-care, there will be a range of what constitutes high quality nourishment in each dimension, a range that will change from person to person, and even for the same person over the course of their life. In order to measure this, I developed this simple self-assessment to create a discussion around self-care. There are many ways to evaluate how we are doing in these areas, but one way is to rate your level of satisfaction in each dimension, taking your time to observe and weigh your levels of skillful nurturing, satisfaction and contentment from day-to-day. What I've also found is that one of the best ways to gain insight into this area is to not only complete the Assessment yourself, but to have a couple of close friends or family members complete the Assessment on your behalf, offering their own opinions with honesty, humility and compassion. It is important to let each person finish the assessment independently before comparing or discussing them.

In the chart on the following page, consider the combination of intentions, practices, habits and natural rhythms in your life that contribute to the nourishment of each dimension, and rate them according to the following values:

1. Extremely dissatisfied, doing very poorly
2. Slightly dissatisfied or doing a bit poorly, below expectations
3. Satisfied, doing okay, though could still improve
4. Satisfied and content, meeting expectations
5. Extremely satisfied, doing very well, above expectations

When someone else is evaluating you, they will use the same values to indicate how well they feel you are doing in each area (I suppose you could say it will be their level of satisfaction, because they care about you). After everyone has completed the exercise, take some time to compare how you rated yourself in one dimension with how other people rated you there. Did the observations of others align with how you see yourself? If not, why do you think that is the case? Did all dimensions have fairly similar ratings – are they in balance with each other? Are there areas you would like to improve? If you discover one or more aspects of yourself that may be undernourished, consider giving them some special attention over the next week or two, providing targeted care, compassion and nurturing for those dimensions. Then, if you try this assessment again at a later date, you will be able to track how your self-care changes over time – and of course you can have others retry it as well.

	<i>Rate</i>	<i>Notes</i>
<b>Physical health and well-being</b> – consider diet, exercise, physical strength, energy, quality of sleep, chronic or recurring illness, managing weight, and overall sense of well-being. Are you happy with your body? Is your body happy with you?		
<b>Positive emotions, creativity and self-expression</b> – consider self-expression, honesty and authenticity in communication, regular creativity and imagination, overall happiness and contentment, sense of playfulness. Is there lots of joy?		
<b>Relationships and social acceptance</b> – consider quality of friendships, feeling appreciated and valued, regular expressions of affection between you and friends and family, overall sense of connectedness and intimacy, and sense of belonging.		
<b>Learning and intellectual stimulation</b> – consider regular exposure to new ideas and opinions, excitement about learning, diversity of interests, mental alertness, overall sense of intellectual curiosity and openness, and ability to think carefully and critically. Do new ideas and information excite you? Are you curious?		
<b>Accomplishment and fulfillment</b> – consider satisfaction over career, hobbies and life’s work, sense of overall purpose, excitement about plans and goals, strength of focus, and your endurance and follow-through. Do you feel purposeful each day?		
<b>Spiritual Ground</b> – consider the strength and consistency of connection and relationship with Inner Light, Divine Presence, Spirit, Spirit Guide(s), Soul, Spiritual Realm, Ground of All Being, Essence, Universal Consciousness or other spiritual dimension; consider ability to convert that into action, especially generosity of time, energy and resources, and regular gratitude. Is your spirit thriving?		
<b>Healing of the past</b> – consider level of peace, tranquility, forgiveness and healing around any past events, as well as the quality of relationships with all family members in the present. Do you get along well? Is there lots of love?		
<b>Legacy, pleasure and reproduction</b> – consider quality and character of what will be left behind after your death, the frequency of pleasurable experiences, and the sense of safety and stability in the home environment. Do you feel secure?		
<b>Ease of shifting between different modes of processing your experiences</b> – evaluate how easy it is to move from a logical, intellectual way of thinking to a felt or intuitive mode of being; or from being grounded in the body’s felt sensations and messages to analytical thought; or from any of these to a deeply spiritual space within; or from any one of these to any other. Do you feel flexible?		
<b>Self-concept</b> – consider self-confidence and possession of a clear and accurate awareness about your own strengths and weaknesses; consider compassionate acceptance of own faults and idiosyncrasies while at the same time being able to remain humble. Do you feel courageous? Do you respect yourself?		
<b>Sexuality</b> – consider level of satisfaction with sex life, level of genuine intimacy and sensitivity with your body and your partner, quality of physical openness, enjoyment of own body, and confidence with sexuality. Are you satisfied?		
<b>Integrity</b> – evaluate your ability to harmonize thoughts and intentions with words, words with actions, and actions with taking responsibility for the consequences of those actions. Do all of these align with each other?		
<b>Artful will</b> – consider how often you feel “in the flow,” where everything in your life feels like it is in harmony, where synchronicity happens and you sense you are moving in the right direction. Contrast that with how often you feel frustrated and “out-of-synch.” Do you feel like the stars are aligning for you (5), or do you feel thwarted (1)?		

### 3. Insight into “the Good of All” as Guiding Intentionality



If we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we begin to arrive at values hierarchies that are not only internally consistent, but energize a clearly defined nurturing and transformational process amid complex and competing priorities. To state this principle in another way: without the cofactor of love, the nutrients available to different dimensions of our being cannot be properly metabolized. You could even say that a paucity of love is our greatest barrier to wholeness and well-being. The felt experience of compassionate affection must develop in parallel with every other aspect of self; it is both a prerequisite and product of nurturing efforts. Authentic love is also the fullest expression possible of our particular level of moral development; it progressively defines what we value and encourages how courageously we act on those valuations. This leads to one way we can define love-consciousness: love that has become fully conscious within us, producing a sensitivity that is wholly infused with *agape* and invested in ever-expanding arenas of compassionate action. Another way to say this is that our moral development reflects the maturation of love within us, and this in turn defines how skillfully we can achieve multidimensional nourishment for ourselves and throughout all of our interactions. Our energy exchanges with others and our environment – at all levels – become the very currency of love and the evidence of its sovereignty in our life.

In this way all energy exchanges are framed within a broader context. A meal lovingly prepared for us by a friend is a lot more satisfying than a quick snack alone. Adorn that meal with a special occasion – a favorite holiday, a birthday, an anniversary – and it becomes memorable as well, nourishing our heart and spirit. In the same way, when we approach the thirteen nourishment dimensions of Integral Lifework with a consistent,

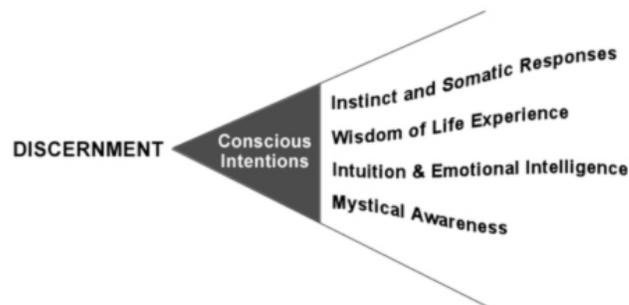
guiding intentionality behind our actions, we enhance the value of our practice. If we care about what we are doing because it supports a deeper conviction about why we should act, then we can make choices with more confidence and execute them with more zeal and perseverance. This is how intentions impact our nourishing style and capacity. In one way, love itself performs this supportive function, and when we are immersed in love-consciousness we tend to act from that state of being without calling upon anything greater. Love justifies itself. But what supports love? What is the governing intention behind the will to be caring and compassionate? Often we will find that the life purpose we identify for ourselves fulfills that function, acting as a backdrop against which all decisions can be measured. But what is the backdrop for our backdrop? What supports us when we temporarily lose our personal vision, or fall out of love for a while, or stumble across new barriers that seem intimidating or insurmountable?

One answer many traditions offer us is an overarching desire for the good of All. That is, what benefits everyone, including ourselves, to the greatest degree. Before making any major decision, if I ask myself “is this for the good of All?” I can begin aligning my intention with a higher stratum of moral valuation and a broader, more inclusive purpose. I may not always know for a certainty the answer to that question, but if I ask it, I am at least examining my own heart for any signs of willfulness, and offering up an eagerness to participate in something greater than my own ego-gratification. And creating that softness of heart, that willingness to align myself with a greater good, opens a channel to wisdom and insight.

You might be asking: “Wait a minute, how can we ever know for certain what the good of All really is? Isn’t that kind of bigheaded?” And of course that is one of the dangers. If we assert that we have been granted some special dispensation to stand for good in the world, and that therefore whatever we desire is for the good of All, then we can fall into a classic trap of willful ignorance amplified by unrepentant arrogance, and lose ourselves in megalomaniacal delusion. At the other extreme, if we deny our innate capacity for wisdom and discernment, submitting instead to a sense of helpless inevitability, we will annihilate our potential for conscious contribution to all-inclusive beneficial outcomes. So embracing a guiding intentionality requires just the right balance of courage and humility, relying on an inner conviction, a certainty of faith, that the good of All is possible – perhaps even inevitable – and that we can and will contribute to it. We are confident not in our having the perfect solution, but in our willingness and eagerness to be part of a solution. Our fundamental belief that the good of All deserves to be manifested and indeed cries out to be manifested is what calls us forth and draws us onward.

#### 4. Encountering Discernment in Neutral Awareness

Creating neutral awareness is a potent kind of watchfulness, because no one idea or experience is allowed to dominate, and competing convictions, emotions, and tendencies of will can be held simultaneously without anxiety or drama. There is no sense of conclusion, because we remove ourselves from direct contact with all these simultaneous considerations. We can calmly harness our thoughts, emotions, intuitions and sensations in a web of *seeming* incongruity and overwhelming information, and still be at peace. In fact, from this suspended state, we will often discover surprising interconnectedness. We can see patterns which unify, which show us how diverging ideas or evidences are not as mutually exclusive as they once appeared – for there is almost always interaction and overlap between all forces and fixed points, no matter how far apart they at first appear to be. We discern new relationships, harmonies and coalescences, and when we cannot immediately reconcile one observation with another, the uncertainty does not disturb us. I use the term “the art of suspension” to describe the cultivation of this neutral awareness. It welcomes us into this space of all-encompassing neutrality, conditioning our mind for a meta-cognitive process whereby everything can be definite, but nothing certain, thus providing us a powerful method of accessing wisdom and discernment.



One way to invite neutral awareness is through a kind of meditation that is, well, more like non-meditation. Just sit comfortably, close your eyes, and let yourself be still. For many of us, our thoughts, emotions and physical sensations will keep trying to overtake our attention. But if we free that attention entirely from any specific focus, and settle into a receptive quiet from which all stimuli – the chatter of our thoughts, the aching in our muscles, the sounds around us, the emotional tension of our day – fall away from our conscious focus, we can begin to intuit what really exists within the remaining silence. As with all forms of meditation, it is important to avoid willing our minds into or away from anything. Instead, we can begin by being attentive to each feeling, thought or sensation that arises, resting in them a while without reacting to them and just letting them be. Then, as naturally and effortlessly as they have arisen, we can let them go. A bird rises on invisible currents, its wings unmoving, then vanishes from sight. When held gently within our guiding intention to invite the good of All, such letting go is a returning to an emptiness that is neutral, acquiescent, and brimming with fullness at the same time.

## 5. Contemplative States & Emotional Transformation

Although various traditions of contemplation, meditation and prayer have different numbers of states, stations or stages, and uses different names and subsets of characteristics – emphasizing heart over mind, mind over heart, or transcendent sense over both heart and mind – I would hypothesize that the contemplative-emotive process outlined below occurs intuitively throughout all of them, even where it is not specifically identified. If this is indeed true, then the contemplative-emotive model can be used to design an integrated meditative practice. It can also be used gauge the aftereffects of our experiences and to measure our actualization of transformative insights. Without being distracted from a tranquil, compassionate and empowered existence, we can consider these states as we move forward, evaluating the impact they have on our life. But we must also remember a most important caveat in any meditative journey: if we are forever trying to pursue, interpret, define and compartmentalize “moments of enlightenment,” we will be preventing the enrichment of our being by holding on to such ideas. Instead, we can continually refresh the habit of letting go, and simply enjoy the indescribable Light that flourishes within and without.

“Just as catching a fish takes as long as it takes for the fish to bite, so it is with meditation. There is no guarantee the fish will bite today. We must simply work and accept the results when they come.” Tsung Hwa Jou, *Tao of Meditation*

Contemplative States	Cycle of Emotional Transformation
1. <b>Simple Reflection:</b> We become consciously aware of all phenomena and begin reflecting on them.	1. <b>Recognition:</b> We recognize and acknowledge our current emotional state.
2. <b>Contemplative Self-Awareness:</b> We become consciously aware of the process of <i>simple reflection</i> as it occurs in us from moment-to-moment, observing and evaluating the qualities of this process.	2. <b>Examination:</b> Without judgment or overreaction, we examine and accept our emotions.
3. <b>Suspended Valuation:</b> We consciously suspend valuation altogether, and just observe our experiences, thoughts, feelings and physical sensations without placing them in the context of our values, beliefs or assumptions.	3. <b>Admission:</b> We admit to ourselves that change would be beneficial – that having a different emotional state would be more healthy and productive.
4. <b>Non-Thought Awareness:</b> We let go of both valuations and any thought process, entering into a state of mental, emotional and sensory quiet – even though we may still be consciously observing this state in ourselves, we do not reflect on it.	4. <b>Detachment:</b> We let go of the counterproductive feelings – that is, relax our emotional state until is greatly diminished, or dissipates completely. We may also choose to relinquish some of the underlying beliefs or assumptions that brought this state about.
5. <b>Non-Thought Non-Awareness:</b> We stop acknowledging even the supersensory, just as we did the sensory, and directly experience the bedrock of our own existence – the foundations of our sense of self and our relationship to the Universe.	5. <b>Equilibrium:</b> We achieve a state of neutral and objective calm where we can decide in which emotional direction we wish to go next.
6. <b>Non-Being Awareness:</b> We cease to discriminate	6. <b>Commitment:</b> We choose a specific new emotional direction and begin to actuate that state.
	7. <b>Action:</b> We facilitate and support the newly chosen state with reinforcing actions, thoughts, beliefs, experiences, etc.

<p>between the state of non-thought non-awareness and any independently constructed sense of self – we come to identify ourselves with this state and thus develop a subjective submersion in “non-being.”</p> <p>7. <b>Non-Being Non-Awareness:</b> Where self-awareness and other-awareness – and any acknowledgement of subject and object – completely evaporate.</p>	<p>8. <b>Evaluation:</b> We review the efficacy of our patterns of thought, emotion and behavior to see if they actually reinforce our chosen state.</p>
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The tacit implication of meditation, contemplation and prayer is that clear targets for emotional transformation will arise as a natural course of practice. However, it is helpful to capture some of the themes and characteristics that frequently occur across many different traditions regarding a “Healthy Emotional State” or an “Unhealthy Emotional State.” From a purely evolutionary perspective, the prosocial benefits are fairly obvious, so these can also be appreciated in terms of psychological, social and moral development.

Healthy Emotional State	Unhealthy Emotional State
Courage to defend the well-being of Self and others, with patience and forbearance	Indignant, self-righteous rage, which is easily provoked and unconcerned about the damage it inflicts
Compassionate desire to nourish others with wisdom and kindness, while at the same time sustaining our own well-being	Compulsive need to rescue others without considering our own well-being or what is truly best for those being “rescued”
Love that has no conditions or expectations attached to it, and that patiently accepts another’s shortcomings	A desire to control disguised as attention and devotion, but which impatiently demands specific reciprocation
Self-controlled ordering of effort according to what supports our values system	Impulsive submission to every urgent or self-indulgent whim without a thought for what is important
Patience for, and an attempt to understand, those who oppose or antagonize us	Fear, paranoia and hatred of things we do not understand
Gratitude and forgiveness	Resentment and divisiveness
Acceptance and flexibility with whatever comes our way	Resistance to change and panic when things seem out of control
Honesty and openness	Avoidance, denial and deception
Peaceful and supportive internal dialogues	Chaotic and demeaning internal dialogues
Admiration and encouragement	Jealousy and criticism
Contentment in any situation, rich or poor, because our focus is on the quality of our relationships, operationalizing values and deepening our wisdom	Greed and avarice: a compelling desire to possess material power and wealth
Guilt and shame, which resolves into humility and a renewed commitment to growth and maturity	Perpetual, unresolved guilt and shame, which injures self-esteem and cripples any ability to change
Vulnerable and joyful sharing of sexual intimacy in the context of socially responsible, mutually considered relationships	Wanton lust: an immersion in carnality without considering emotional, interpersonal or societal consequences
Mutual inspiration to greater achievement through fair-spirited competition and/or cooperation	Egotistical competitiveness, which craves victory at any cost
Confidence with humility	Self-aggrandizing arrogance
Taking pleasure in the success of others	Taking pleasure in the suffering of others
Hope and faith in positive outcomes	Despair and pessimism: presuming doom

## 6. Foundational Meditation Exercises

### *Gratitude Meditation*

1. Objective: Between 15 and 75 minutes of continuous meditation each day. If you can, insulate this with a buffer of five minutes before and after so it doesn't feel rushed, and so you have time to reflect on your experiences.
2. Find a quiet place to sit and relax where you won't be interrupted or distracted, and begin your meditation with an inner commitment to a broader goal than just personal edification, i.e. "May this be for the good of All."
3. Relax every part of your body. Start with your hands and feet – perhaps moving them or shaking them a little to release tension – then your arms and legs, then your torso, head and neck.
4. Breathe deeply and evenly into your stomach, preferably in through the nose and out through the mouth, so that your shoulders remain still but your stomach "inflates." Practice this until you are comfortable with it.
5. In the middle of your chest, just above and behind your sternum, gradually fill your heart with gratitude. It need not be directed at anything or anyone, but you could shape this as an offering to the Source of Life, or Nature, or Deity, or simply to the present moment.
6. Begin with a small point of feeling, and allow it to slowly spread with each breath until it fills your whole being. For some, it may be helpful to visualize this spreading gratitude as light emanating from a point in the center of the chest. Maintain this state for as long as you can.
7. As other images, sensations, feelings, or thoughts arise, let them go and return to your offering of gratitude.
8. If you become disquieted, uncomfortable, jittery, or severely disoriented, try to relax through it. If the sensations persist or become extreme, cease all meditation for the day.
9. Afterwards, give yourself emotional space and time to process what you have experienced. Just *be* with what has happened without judgment or a sense of conclusion.

### *"Just for Today" Daily Reflections*

Another approach to interior discipline is to reflect in a structured way on concepts that commonly fall within mystical experience, or that frequently surface in mystical writings. To this end, I have provided a list of daily reflections below. Because these

can accompany other activities, they may be a helpful starting point for some. Pick two or three at random that appeal to you, copy them down to take with you, and try the “Just for Today” reflective practice on for size. Throughout the day, speak them aloud or silently as questions, as affirmations, as declarations. Apply them thoughtfully to your interactions and your responses in each new situation. Try to feel each of them in your heart as a hope, as a desire, as a belief, and as an acceptance of what already is.

As one example of practice, you might enjoy reciting them each morning while going for a walk – a continuous walking reflection of perhaps thirty minutes. After speaking each phrase aloud or silently, listen to the silence afterwards, noticing the reactions of your heart, mind, body and spirit. When finished, open yourself to whatever is around you and revel in the present. In the evening, try repeating this process as a reconsideration of your day. Each reflection can be directed toward ourselves, toward others, toward all that we understand to exist, toward Deity we worship, or even toward the unknown. There are therefore many implications for each phrase. Repeating the reflections, each time with a unique audience or objective in mind (or none at all) can evoke new meaning and have surprising impact on our lives even after years of repetition.

1. Just for today, patience and acceptance in all things
2. Just for today, nothing has to be wrong
3. Just for today, acknowledgment without prejudice in every situation
4. Just for today, courage to be compassionate and kind to all
5. Just for today, embracing the realm of Nature as part of Self, with honor and respect for All
6. Just for today, remembering the well-being of others, nourishing them through being well
7. Just for today, transforming all things into the good of All
8. Just for today, faith which far exceeds all hopes, desires and fears
9. Just for today, insight and understanding into fruitful conduct
10. Just for today, listening from stillness, and seeing what is
11. Just for today, confidence without arrogance, and humility without passivity
12. Just for today, clarity and sincerity in purpose and intentions
13. Just for today, balance in caring for the house of Self and all the selves within
14. Just for today, tranquility in relinquishing ego, and flowing with the Source of Life, Liberty, Love and Light
15. Just for today, a generous spirit, free from attachment and expectation

16. Just for today, being in the now, without illusions
17. Just for today, honesty and integrity in all situations
18. Just for today, thoughts and words that edify, encourage and inspire
19. Just for today, with each breath, breathing in wholeness and vitality
20. Just for today, diligence and mindfulness in every moment
21. Just for today, persisting gratitude from the heart, and celebration in every action and interaction
22. Just for today, filled with Divine laughter, the heart sings
23. Just for today, ease and simplicity in every choice
24. Just for today, a living example with conviction and contentment
25. Just for today, creating something, destroying nothing
26. Just for today, great care with whims and wishes
27. Just for today, the soul is never compromised

### ***Mantra Meditation with Visualization***

1. Objective: Between 15 and 75 minutes of continuous meditation each day. If you can, insulate this with a buffer of five minutes before and after. It is best to practice this meditation only after several weeks practicing the Gratitude Meditation above.
2. Find a quiet place to sit and relax where you won't be disturbed or distracted, and begin your meditation with an inner commitment to the golden intention.
3. Relax every part of your body. Start with your hands and feet – perhaps moving them or shaking them a little to release tension – then your arms and legs, then your torso, head and neck.
4. Breathe deeply and evenly into your stomach, preferably through the nose, so that your shoulders remain still but your stomach “inflates.” Practice this until you are comfortable with it.
5. Begin the “four-fold” breath – that is: breathe in slowly, hold for the length of a breath, breathe out slowly, rest for the length of a breath. Practice this until you are comfortable with it.
6. On the inhale, say the first part of this mantra, “The Sacred Self,” with your internal voice. During the held breath, hold this thought and let it fill you.

7. On the exhale, say the second part of this mantra, “in All is One,” with your internal voice. During the rest period, relax into this thought; let it permeate your being with acceptance and certainty.
8. As images, sensations, feelings, or thoughts arise, let them go and return to the mantra.
9. As you become comfortable residing in this mantra, add a progression of visualizations. First, imagine someone you respect or admire sitting facing you and continue the mantra. After a time, change the visualization to someone with whom you have a loving, mutually respectful relationship. Lastly, change your focus to a person you do not like, who is antagonistic to you or your way of being, or with whom you have not found any common ground. Maintain your visualization of each person for as long as possible.
10. If you become disquieted, uncomfortable, jittery, or severely disoriented, try to relax through it. If uncomfortable sensations persist or become extreme, cease all meditation for the day.
11. Give yourself space after your meditation to process what you have experienced. Just *be* with what has happened without judgment or a sense of conclusion.

## 7. Fred's Thought Experiment & Our Relationship with Meaning

### *Fred and the Bubble of Nothingness*

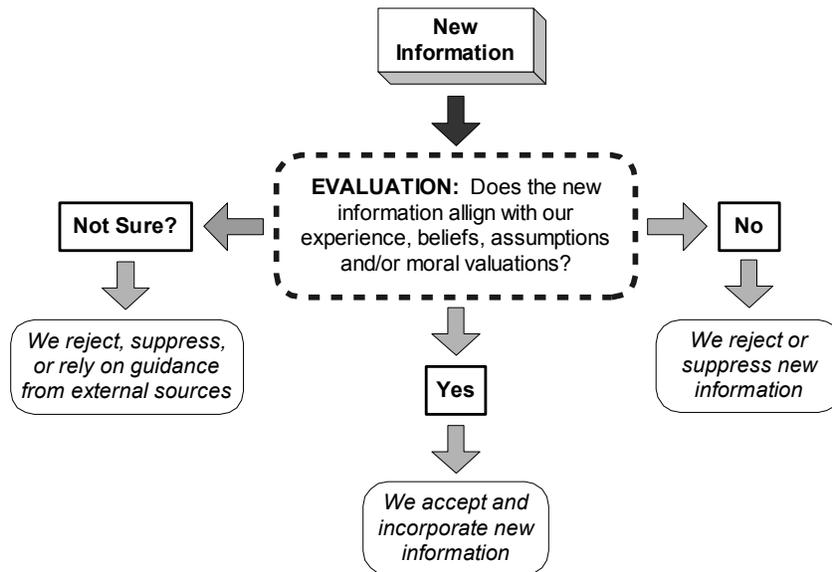
Imagine a bubble of nothingness. Absolute nothingness. Not even a thought can penetrate this bubble. Not even an all-powerful Deity, for the non-space and non-time inside this bubble don't even exist and have never existed. It is, in fact, a nonexistence that preceded even our conception of it, in the moment before these sentences were written or read. Inside this bubble of nothingness lives a fellow named Fred. For my own entertainment, I like to imagine him wearing a burgundy sweater and gold wire glasses, sitting at an immense roll-top desk of some richly grained hardwood. Fred is humming to himself and thinking about the essence of his reality as it flows in all directions around him; he does not perceive himself to be in a finite bubble at all. What to us is a non-concept of nonexistence is, in fact, Fred's ever-expanding universe – albeit of “nothingness.” Taking a sip of hot chocolate, Fred imagines a realm that utterly contradicts his own: a realm of existence, complete with galaxies, spiritual forces and sapient beings. He even imagines you reading about him right now. But from Fred's perspective, his own universe occupies everything that has meaning and reality for him, and all that exists for you and me is trapped within Fred's bubble of rich – but objectively finite – imagination. Just as we view Fred as a negation of *all that is* for us, Fred views us as a negation of *all that is not* for him.

Then Fred moves on to other thoughts, and you yourself finish reading this description of Fred. Soon, both of you have pretty much forgotten about each other, but a question remains: what is the meaning of Fred to you? And what is the nature of everything in our Universe – everything that we can ever imagine or experience, even an all-encompassing, all-powerful Deity – to Fred? Clearly, with a shrug and another sip of hot chocolate, Fred can dismiss everything that we are, and all that we dream we are, as completely insignificant, just as we can easily dispense with everything that Fred imagines he is – Fred doesn't exist, after all! This shows us how the contrast between our conception of reality and our direct experience of reality necessitates meaning, and how all meaning is therefore interdependent – that is, created by the context of one thing relating to another. This is not only true for the extreme dichotomy of existence and non-existence, but also for every subtle gradient of differentiation we perceive both in the external Universe, and in ourselves. Externally we differentiate a beautiful flower from a bothersome weed, a refreshing rain from an overwhelming deluge, a pleasant fragrance from a cloying stench, or an exciting adventure from a terrifying crisis. Internally we compare and contrast the inspiring flame of passion and the destructive heat of anger, overconfident knowledge and humble wisdom, a humorous observation and a demeaning jibe, a brilliant insight and deluded insanity. And with each choice to separate and evaluate what we encounter, we perpetually construct and support all of our most fundamental beliefs.

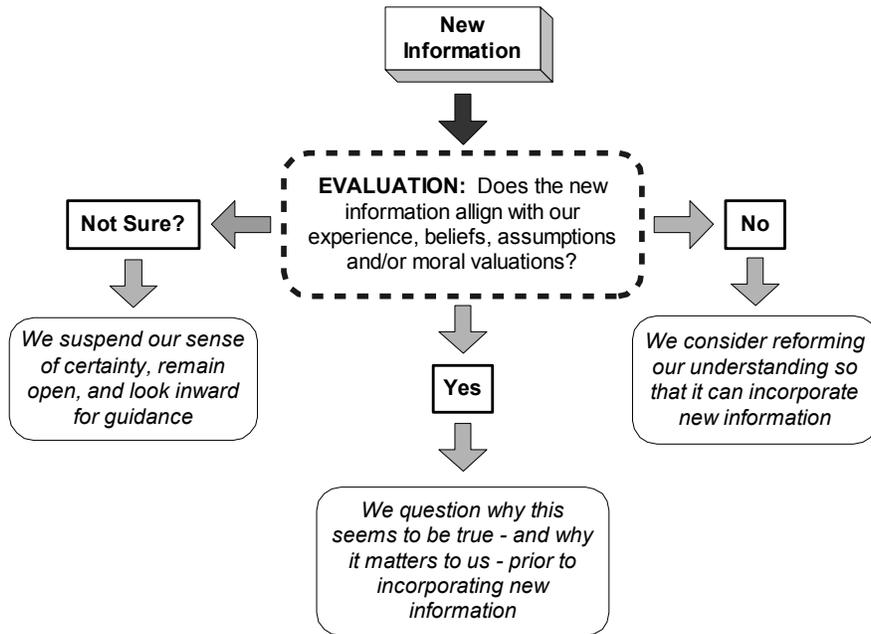
### *Passive vs. Active Assignment of Meaning*

What if we let go of our assumptions? What if we pretend, for the sake of stepping into a different perspective, that despite all we have learned we have *no idea* what anything in our life means? To be free of any presumption of meaning would allow us to accept whatever we encounter without prejudice, wouldn't it? That is, we would be able to experience events without confining ourselves to a predetermined valuation of those experiences. And as we greet each experience with unconditional acceptance, a new confidence emerges: that we can *decide* the value of something, instead of accepting what our habitual thinking tells us. Such a state of conscious neutrality – leading first to unconditional acceptance, and then to an intentionally interdependent construction of meaning – empowers us to exit the prison of our own arrogance, and open ourselves to whatever truths are present *in this moment*. This is the key to the door of an ever-expanding *multidimensional* perception, because we can then explore information outside of our habitual thinking and culturally programmed definitions using every dimension of our being.

### *Passive Assignment of Meaning*



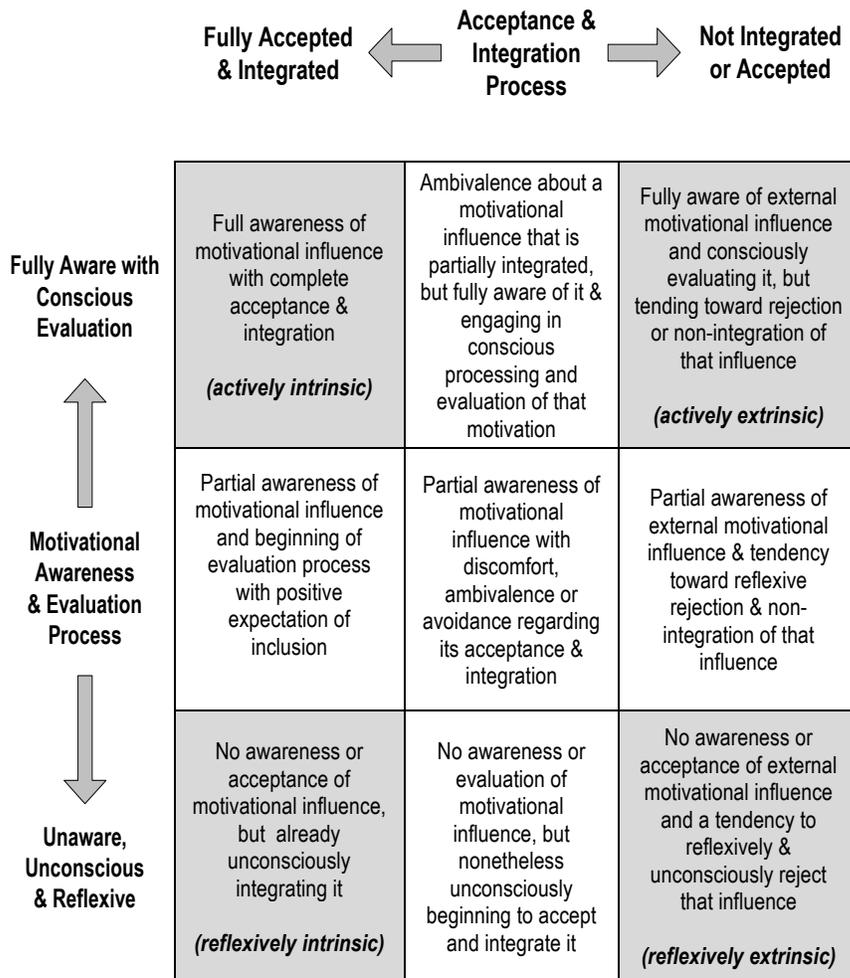
*Active Assignment of Meaning*



## 8. Primary Drives, Fulfillment Impulses, Motivation & Functional Intelligence

### *Motivational Awareness & Integration Process*

Cognitive psychology has frequently ascribed two categories to motivation to help explain it: that which influences us to react because it is imposed on us from outside ourselves (extrinsic motivation), and that which we generate internally to compel ourselves into action (intrinsic motivation). What is really being described here is, I think, a graduated shift from motivational influences we have not yet accepted or integrated and which, consequently, we respond to in more reactive or reflexive ways, and those motivational influences we have fully accepted and integrated into our conscious way of thinking. The chart below captures the array of motivational responses that can occur when the evaluation and integration axes interact.



When we look at this chart, we can generate a working definition of what the extremes of the intrinsic/extrinsic spectrum really are. Either we are being driven by reflexive impulses or by conscious decisions; either our actions are governed by external influences or by internalized values. The ideal state, of course, is to be consciously aware of our motivational process, and at the same time be able to integrate what we value into our current mode of being. Am I able to find contentment and serenity within myself regardless of my circumstances from moment to moment, or am I constantly reacting to my environment in a reflexive and unconscious way? Am I able to feel compassion and affection spontaneously and without preconditions, or do I rely on others to demonstrate their feelings or fulfill certain requirements before I can express love? Have I created an interior purpose to energize me and draw me forward through my day, or do I respond to an environment's demands on me without thinking about it? Are the reasons I do things from moment to moment consciously justified and intrinsically valued, or unconsciously accepted after they have been externally imposed? I think this may be a useful model of what "extrinsic" and "intrinsic" motivations really represent.

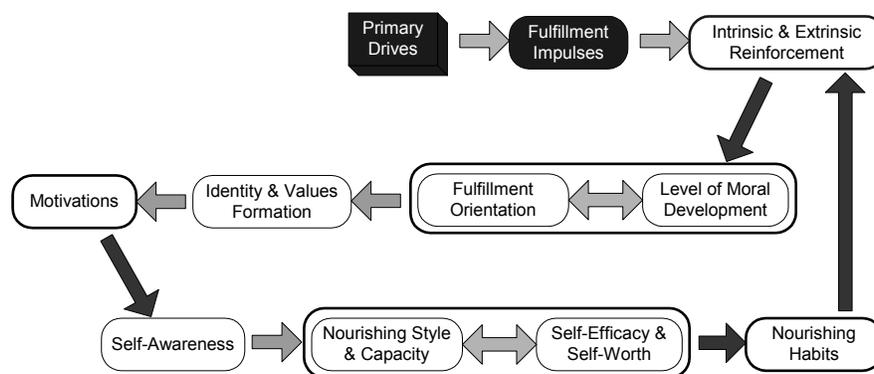
Whatever our motivational pattern is, it is not set in stone. We always have a choice to shift from reflexive and external dependencies to conscious and internal self-sufficiency. In fact, that is something we tend to do naturally over time anyway. We begin life totally dependent on the guidance of our parents and the boundaries set by our environment, but slowly we integrate that guidance and those boundaries into our self-governance. And at some point we will probably even question those integrated guidelines, synthesizing new ones from our own questioning and some new experiences. So we always have a choice. What influences us most to rely on our internal compass instead of external pressure? I think it is habit. There is tremendous comfort and security in familiar, unconscious habits, and breaking free from them can be a scary undertaking. But if we decide to consciously process how we are reacting to various situations, we can begin to challenge those habits and break free from unhealthy patterns. So the compelling question is not what motivates us, but how aware we are of what motivates us.

But why does it matter? Because without appropriate, compelling, immediate, internally generated motivation, our efforts can have oppressive and even crippling effects over time. When we push ourselves forward on autopilot, relying on decisions we made years previously or on external structures that guide our responses, our emotional life will become flat and disinterested and our efforts strained. When our responses are dependent solely on such habits or the pressures of our external environment rather than internal inspiration, we may even unconsciously create crises and conflict around us to keep ourselves reactively engaged. If we cannot frequently and actively evaluate our motivations, we will accumulate a number of negative and antagonistic results: We may sabotage our success in areas that are important to us; we may alienate loved ones; we may become depressed or physically ill. All because we

resist tuning in to what we value most – what is meant to keep us focused and inspired in the current moment.

So that is our choice: to remain diligent, conscious and self-aware about our motivational landscape, or to default to unconscious impulses or automatic programming. Intrinsically generated and conscious, or extrinsically reactive and unconscious. As we differentiate between these extremes, we must ask ourselves how to best cultivate motivational awareness. How will we discern what our interior world looks like from moment to moment? How can we actively navigate it to find the motivations we require? How can we shift out of habitual reactions to more conscious modes of being? The next section begins to answer these questions. For a start, let's take a look at the first two elements of the Integral Lifework motivational diagram and see what can be uncovered.

### *Primary Drives & Fulfillment Impulses*



To begin, it is helpful to distinguish motivations from primary drives. A primary drive is a fundamental imperative that nearly everyone shares, facilitating survival of the species. A motivation results from a series of complex events and interactions (note that the “Motivations” element is pretty far along in the diagram), but ultimately serves one or more of these primary drives. It’s like having different approaches to achieve the same outcome, and as we have already seen, each approach will be uniquely suited to each situation, and each person has a unique way of creating and expressing their own approach. But let’s dig into this a little. First, here are the four basic survival drives as they are defined in Integral Lifework:

- To Exist
- To Experience
- To Adapt
- To Affect

These fundamental drives govern everything we do and relate to every aspect of our existence. The focus of each drive – the processing space within which it operates – shifts constantly, but the drive is ever-present. For example, in one moment I am concerned only with myself in the now: how I exist in this instant; how I experience this instant; how I adapt to this experience; and how I have an effect on my own experience. In the next moment I am concerned with someone or something else, perhaps in a more expanded time-space: how some event in history is perpetuated in memory (*existence*); how others may share my *experience* of joy; how my elderly neighbors will *adapt* to the impending road construction in our neighborhood; how a child will *affect* the life of their canine companion. The concept of widening circles of interaction will also become important in understanding our own evolution of being. But regardless of where we are along the arc of an ever-expanding self-concept, we cannot escape our primary drives.

We do, however, have a great deal of choice in how those drives are satisfied. Layered on top of primary drives are sixteen different fulfillment impulses. These fulfillment impulses contribute to how our motivations are defined and reinforced, and are instrumental in corralling all our efforts to serve primary drives. They also help us understand what constitutes full-spectrum nourishment, because every type of nourishment ultimately satisfies one or more fulfillment impulse. So primary drives generate fulfillment impulses, which in turn lead to motivations that are satisfied by essential nourishment. Simple, right? It will become clearer in a moment, but here is why this process of motivation-synthesis is relevant: once we understand how motivations are formed and how they contributed to our day-to-day well-being, we can begin to consciously shape that process. And once we shape that process, we can resist the pitfalls of externalized or habit-based motivation. We can then be set free from attachment to past patterns of survival and reliance on external structures to nurture ourselves. We can live fully in this moment for a clear and empowering purpose we choose in accordance with the values we consciously cherish. And we can offer true love a prominent role in this process. In other words, we can ultimately become more effective in fulfilling both our primary drives and our guiding intentionality. In Integral Lifework, this is what it means to thrive.

Okay, so let's take a look at the diverse menu of "fulfillment impulses" available to us. In the following chart, each impulse is defined by its most common expression in our volition and behavior (active expression), and by the emotional responses we frequently associate with it (felt sense).

<b>FULFILLMENT IMPULSE</b>	<b>ACTIVE EXPRESSION</b>	<b>FELT SENSE</b>
<b>Discovery</b>	Observe/Explore/Expand/Experiment	Sense of adventure, risk, opportunity
<b>Understanding</b>	Contextualize/Evaluate/Identify/Interpret	Sense of purpose, meaning, context, structure
<b>Effectiveness</b>	Impact/Shape/Actuate/Realize	Sense of activity, success, achievement, accomplishment
<b>Perpetuation</b>	Stabilize/Maintain/Secure/Contain	Sense of safety, family, security, "home"
<b>Reproduction</b>	Sexualize/Gratify/Stimulate/Attract	Sense of attraction, arousal, satisfaction, release, pleasure
<b>Maturation</b>	Nurture/Support/Grow/Thrive	Sense of caring, supporting, growing, maturing
<b>Fulfillment</b>	Complete/Transform/Transcend/Become	Sense of wonder, awe, fulfillment, transcendence, self-transformation
<b>Sustenance</b>	Taste/Consume/Quench/Savor	Sense of fullness, enjoyment, contentment, satiation
<b>Avoidance</b>	Escape/Evade/Deny/Reject	Sense of fearfulness, self-protectiveness, wariness, stubbornness
<b>Union</b>	Accept/Embrace/Incorporate/Combine	Sense of "being," union, interdependence, continuity
<b>Autonomy</b>	Differentiate/Individuate/Rebel/Isolate	Sense of distinct self, uniqueness, freedom, personal potential
<b>Belonging</b>	Cooperate/Conform/Commit/Submit	Sense of belonging, trust, community, acceptance
<b>Affirmation</b>	Appreciate/Enjoy/Celebrate/Create	Sense of "I am," play, gratitude, aesthetics, inspiration
<b>Mastery</b>	Empower/Compete/Dominate/Destroy	Sense of strength, power, control, skill, competence
<b>Imagination</b>	Hypothesize/Consider/Extrapolate/Project	Sense of limitlessness, possibility, inventiveness, "aha"
<b>Exchange</b>	Communicate/Engage/Share/Interact	Sense of connection, intimacy, sharing, expression

**Journal Exercise: What Fulfills You?** Using the *active expression* and *felt sense* columns in the chart as a guide, take a moment to reflect on the fulfillment impulses that infuse your daily life. What impulses do you think energize many of your actions and reactions from moment to moment? Which ones seldom seem to prompt you at all? Why do think either pattern exists in your life? Are there events in your past that have influenced which impulses you've relied up on over time? Can you see how these impulses have either the potential to support primary drives and skillful love-consciousness, or to disrupt them in some way?

### *Functional Intelligence*

In the context of Integral Lifework, *functional intelligence* represents our effectiveness in perceiving, developing and operationalizing personal values. This demands a high level of self-awareness, and answers to some detailed questions. For example, are we aware of our operative values hierarchy, especially in contrast to an idealized one? Do the outcomes of our efforts actually align with our values? Do we routinely and accurately

predict those outcomes? Over time, have we been able to improve our skillfulness in actualizing our primary values? Do we recognize when we stray from a desired course? Over time, have we been able to integrate new, idealized values with our more intuitive and reflexive values? In this way, does our values hierarchy reflect an ongoing maturation process? In the most concrete and measurable terms, what is the relationship between our internal values, what we think, how we feel, and what we do? By answering these questions and elevating our attention to these patterns, we begin to outline the many facets of functional intelligence.

Central to our understanding of functional intelligence the role of *intuitive values*; that is, values that we are already operationalizing whether we are conscious of them or not. As one obvious example, many of the values expressed in Integral Lifework theory have become part of how I navigate functional intelligence in my own life. In one sense, it is impossible to separate most definitions of intelligence from our values system because all such definitions operate within specific values structures. In our definition of functional intelligence, we are simply recognizing that intuitive values are nearly always the mechanism of prioritization for our actions, thoughts, attitudes and intentions. And, to reiterate, these values are not conscious ideals, carefully structured beliefs, or socially imposed mores. Ideals, beliefs and mores may help shape or influence intuitive values over time, but, in what once again is a mainly pragmatic concern, intuitive values are what actually govern our priorities in-the-moment, in what are most often unconscious or reflexive ways.

Recalling the *fundamental drives* and *fulfillment impulses* mentioned in the previous section, if these are operating in every person to varying degrees, then one way to define self-nourishment is the satisfaction of these drives and impulses via every internal and external relationship of our existence. What our intuitive valuations may really represent, then, is the way in which each fundamental drive and fulfillment impulse manifests in all of these relationships. In relationships between ourselves and other people, between our conceptions and our perceptions, between our invented divisions of self (heart and mind, mind and body, etc.), between ourselves and any system in which we operate...and between our contribution to those systems and everything else with which those systems interact. I would propose that our values system – as defined by the qualities of *clarity*, *emphasis*, *hierarchy* and *consistency* across all of our intuitive values – is therefore an expression of which drives and impulses most observably influence on all of these relationships.

- **Clarity.** Our values are most clear when they regularly express and reinforce themselves, and when we can then observe and interpret that expression. Introspection can aid us in discerning what our values may be, but the most effective means of understanding what we value – and the actual hierarchy of those values – is to simply pay attention to our behavior over time and correlate that with values structures. Thus, although intuitive values operate mainly in

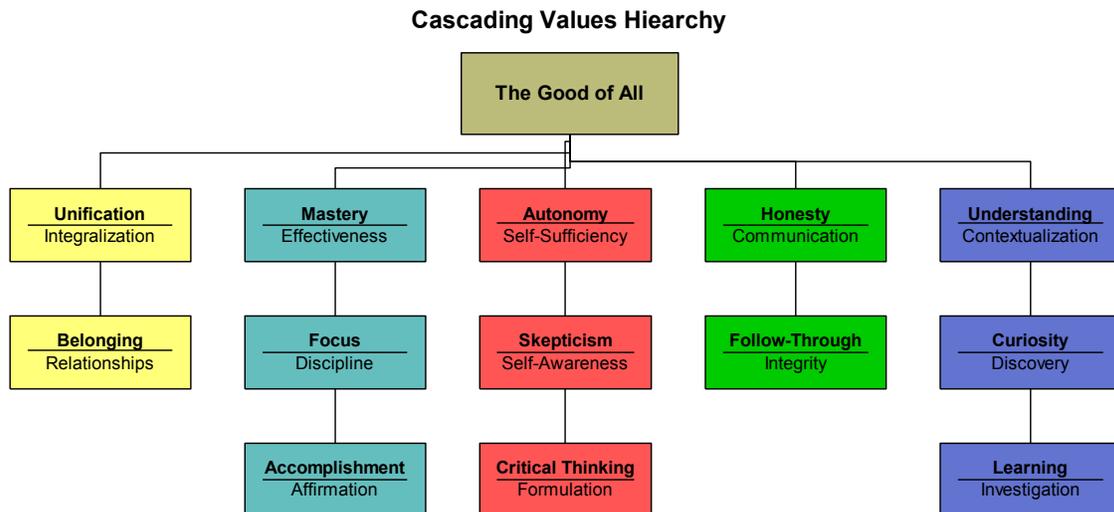
unconscious ways, we can become more conscious of them through observation and introspection...and this creates clarity.

- **Emphasis.** What is most important to me? What has the most emphasis and influence in my life? Is it the emotional quality of my relationships with other people? My level of power of influence in a group? How quickly or ingeniously I can solve complex problems? The safety and happiness of my family? The amount of money I have in the bank? The perceptions of my peers about what I think or how I act? The size of my vocabulary? My sexual gratification? How creatively I can cook a meal? In other words, what consistently ranks highest in priority, as evidenced by my thoughts and behaviors?
- **Hierarchy.** What is the cascading, hierarchal structure of my values? Are their overarching values (meta-values) that influence that prioritization and organization? Are there values that are primary and intrinsic to how I view reality, which then inspire other, more instrumental values? For example, if I have a primary value of protecting my family, I might have a secondary, instrumental value of building strong fences, or installing high-end security systems. Then again, my primary values might be a pride in building things, or learning about electronics, which then subordinate the protection of my family to an instrumental value (that is, the secondary, family-protection value facilitates my primary, building-things and learning-electronics values). All of these, in turn, may be guided by the meta-value that any value that preserves the life, thriving and reproduction within my local gene pool should be prioritized as primary.
- **Consistency.** This relates to how I contextualize my values. Do my values somehow contradict and compete with each other, or do they consistently align with each other? Are they internally consistent? Also, are my values and their hierarchy consistent from one moment to the next, or do they change when I am with different people or in different environments? How steadfast and resolute am I in demonstrating the same hierarchy in diverse situations? Do I demonstrate one set of values at work, and another at home? One set with my close friends, and another with strangers? One set with men, and another with women? How does this impact the alignment of my values with my meta-values? Is there potential for cognitive dissonance or self-defeating patterns, or is there overall integrity?

So values originate from every dimension of self, and attempt to fulfill every dimension of nourishment. What differentiates the intuitive values stream from the functional intelligence stream is that intuitive values are mainly embedded knowledge – innate, conditioned or fully integrated conclusions about what we perceive, learn and experience – whereas functional intelligence involves the active, self-aware arm of our

cognitive processing. Intuitive values are the passive lens through which we automatically assess and navigate each moment, and functional intelligence is our demonstrated capacity to operationalize those values, and adjust those operations according to perceptions and feedback. Certainly all values seem to change as a result of our experiences and reactions, but the change occurs at such a fundamental level that we are seldom aware of it. What I will suggest here is that these intuitive values interact with pragmatic, functional intelligence on many levels – each interaction shaping and maintaining every other – and that we can and should become more conscious of these interactions. But functional intelligence and intuitive values are really inseparable – they are two sides of the same coin, and cannot exist independently of one other.

To conclude, the following is a targeted example of values operationalization, and how functional intelligence can be applied in the real world. It begins with a clarified values hierarchy, and then uses that hierarchy to inform a community decision-making process.



**Operationalization & Assessment**

A friend asked me if I needed some help leading a community discussion about how to oversee business expansion in our neighborhood. I thanked her but said no, I would like to lead the discussion myself, and that I would appreciate any resources she could provide. So she sent me some information on how to seed a group with ideas and build consensus before the meeting occurred, so that it would appear as if consensus was happening organically, when really it was a result of prior persuasion. But, after meditating on the subject and discussing it with some trusted friends, I decided not to take this approach. Instead, I researched some more until I found material on facilitating group discussions that encouraged brainstorming among different perspectives, then provided ways of "bubbling up" those different ideas into shared primary objectives. I then led the discussion using these tools, and was able to cultivate consensus in the group regarding the question at hand. As a result, the community was able to consolidate behind a specific list of standards that businesses would be required to adopt when setting up shop in our neighborhood. It would be several years until we were able to assess whether the standards would have the desired results, but in the interim the community felt empowered to engage in the governance process, and optimistic about their prospective impact. What was clear for now was that I did seem to operationalize my own values hierarchy in this process .

## Motivating Change: From Downward Spiral to Upward Spiral

How can we discover motivations that help us migrate away from unhealthy habits into healthy ones? And how can we sustain a healthy and self-supportive motivation over time? These are central questions in transformative practice and deserve careful reflection and exploration. Why? Because there two of the most powerful forces within us are working at odds: a desire to grow and thrive that actively seeks change (corresponding mainly to the *experience* and *adapt* primary drives), and a desire for safety and stability that is ambivalent about or resistant to change (corresponding mainly to the *exist* and *affect* primary drives). If either of these forces ever dominated us completely, our quality of life would quickly degrade. For we can neither remain in stasis, nor constantly cast aside established patterns in favor of new ones. One condition would lead to stagnation and depletion, and the other to chaos and overstimulation; once again, we must find the middle ground, the *optimal range of effective effort*. The following chart provides some insight into which “optimal range” could most benefit us in a given situation, or with respect to a specific extrinsic or intrinsic motivation, with the underlying assumption that cultivating love-consciousness is a worthwhile and rewarding endeavor.

<b>Foundational Factors for Effective Love-Consciousness</b>			
<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Values Alignment</b>	Inauthentic – either unaware of an apparent disconnect between one’s values and beliefs and one’s thoughts and actions, or a lack of commitment to aligning them (laziness)	Authentic – tolerance of paradox and ambiguity with relaxed acceptance, while committed to aligning thoughts and actions with values and beliefs as closely as possible	Exaggerated – excessive effort to rationalize thoughts and actions that contradict values and beliefs (i.e. cognitive dissonance)
<b>Integrity</b>	Inability to harmonize intentions, thoughts, words and deeds and/or high tolerance of failure, with little interest in or commitment to self-betterment	Thoughtful harmonization of intentions, thoughts, words and deeds with low tolerance of failure and realistic commitment to self-betterment (example: what I intend I think about, talk about and do).	Obsessive effort to harmonize intentions, thoughts, words and deeds at any cost, with extreme intolerance for failure and unrealistic ideal of integrity

<b>Morality</b>	Amoral – rejecting moral framework for intentions and actions and/or a disregard for the same	Moral – conscious effort to evolve moral standards of intention and action within a framework constantly reassessed according to its effectiveness (i.e. outcomes reflecting values)	Legalistic – rigid adherence to moral code without evaluating outcomes and efficacy of our approach
<b>Fulfillment Orientation</b>	Protective – unable or unwilling to engage in nourishing exchanges with others in one or more areas, forcefully rejecting any perceived dependence	Self-reliant – fully individuated from family of origin, peers, tribe and society and able to support and maintain own well-being through comfortably interdependent, mutual exchanges	Dependent– a strong identification with and reliance on environment, parents, peers tribe or society for all nourishment and sense of well-being (i.e. lack of individuation)
<b>Identity</b>	Unformed or insecure identity – unable to maintain clear and solid sense of self around other strong influences	Interdependent and inclusive - strong sense of self, expanding to include wider arenas of affection, spiritual unfolding, growth and interdependent connection	Over-identification with self-limiting descriptors – i.e. tribe, survival personas, ego, etc.
<b>Spiritual Grounding</b>	Disconnected from spiritual experience, with little or no access to spiritual realm and own spiritual essence (often with an overemphasis on material experience)	Open and persistent connection with the spiritual realm (ground of being, essence, Divine, etc.) with an unrestrained expression of spiritual essence and nature, balanced with material existence	So immersed in spiritual experience that effective interface with material plane is disrupted or disabled
<b>Arenas of Affection</b>	Affection response has not fully developed or is not active in several arenas – not even towards self	Balanced effort to expand love-consciousness into as many arenas as possible, while still sustaining affection and compassion for self	Overextension or fixation of affection in one or more arenas to the depletion of all others and especially self
<b>Strengthening Factors for Effective Love-Consciousness</b>			
<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Self-Concept</b>	Low self-worth and lack of belief in own skillfulness or abilities	Healthy, balanced sense of self-efficacy and self-worth, both as a general self-concept and with respect to each dimension of nourishment	Exaggerated self-confidence and self-worth, and exaggerated belief in own skillfulness or abilities
<b>Self-Awareness</b>	Unskilled, unaware or in denial about one or more aspects of self, which debilitates overall effectiveness	Realistic and regular self-awareness about strengths and limitations, patterns of thought and behavior, identity, values, beliefs, etc. that facilitates increased effectiveness	Absorbed in or obsessed with self-awareness to the exclusion of all other input, resulting in decreased effectiveness

<b>Intentionality</b>	Reactive or unformed – absence of clear intentions or love-consciousness	Golden intention – clear and ever evolving love-consciousness directed toward the good of All, inclusive of self	Fixation on self and ego satisfaction – substitution of ego gratification for love
<b>Mental Clarity</b>	Suppressed – casual thoughts and creative thought process are routinely disregarded, denied or judgmentally devalued	Neutral awareness – casual thoughts and imagination process are allowed to flow freely without immediate valuation or need for action	Obsessive – thoughts or imagination process dominate all other functions, requiring immediate attention and/or action
<b>Nourishment Discipline</b>	Self-Depleting – inability to consistently self-nourish in one or more dimensions	Balanced – able to consistently self-nourish with a diligent but relaxed effort to progress from baseline disciplines to transformative disciplines	Overindulgent – obsessive or excessive effort to self-nourish, often resulting in addictive substitutions
<b>Mindful Openness</b>	Passive & closed – evaluation of meaning or importance of all information through externally defined criteria and inflexible belief system, with less willingness to suspend a sense of certainty	Active & open – evaluation of meaning or importance of new information through flexible and ongoing reevaluation of beliefs and assumptions, with a relaxed willingness to suspend a sense of certainty	Overactive & uncritical – excessive emphasis and dependence on the invented significance of all new information with an inability to critically evaluate
<b>Discernment</b>	Unconscious navigation of each situation based on arbitrary emphasis on either external input streams (such as advice, observed behaviors, mass media, etc.) or impulsive emotional reasoning	Consciously balanced, vigilant but relaxed assessment of input streams from all sources – internal and external, experiential and intuitive, rational and emotional, spiritual promptings and empirical observations	Fixation on one form of hyper-vigilant navigation, such as strong emotions, synchronistic events, black-and-white reasoning, or an overly stringent system of ethics

**Common Barriers to Effective Love-Consciousness**

<b>MATURITY FACTOR</b>	<b>DEPLETION ←</b>	<b>OPTIMAL RANGE</b>	<b>→ EXCESS</b>
<b>Relationship Style</b>	Disengaged – either as indulgent pattern or neglectful/absent pattern (also can be defined as “other-depleting”)	Interdependent - authoritative and egalitarian with distinct sense of “self” and “other,” but with a fundamental acceptance of mutual, intrinsic sovereignty and value	Excessive engagement or enmeshment - overexertion of control, an authoritarian style, or overly attached (loss of self) resulting in “one-up” or “one-down” dynamics
<b>Attachment Style</b>	Destructively detached –sacrifice and denial to extreme deprivation, depletion and harm (to self and/or other) without a sense of interdependence	Compassionately detached – effortless letting go without a sense of sacrifice or denial that naturally leads to deeper connection and nourishment with a strong sense of interdependence	Compulsively attached – inability to let go to the point of dependence, over reliance and addiction, rejecting interdependence and freedom to self-nourish

<b>Permeability (sensitivity &amp; openness)</b>	Impermeable, unaware, numb, unaffected by events within and without; callous and insensitive; thick-skinned to the point of either obtuseness or disinterest	Aware and able to accommodate inward and outward flows of emotional, intellectual, physical and spiritual energy without disruption or stress, as well as consciously filter or boundarize those flows when required	Excessively permeable - unable to manage adversity, stress and upheaval; less able to filter the flows of energy from any source or maintain healthy boundaries
<b>Processing Flexibility</b>	Inflexible and stuck – unable to move from once processing space to another	Flexible and fluid – able to move confidently and consciously between different processing spaces with ease	Sporadic – flitting from one processing space to the next without control or conscious awareness
<b>Barrier Management, Monitoring &amp; Resolution</b>	Unaware – unable to recognize own barriers to well-being or repeating patterns of failure and a tendency to deny that barriers exist	Acknowledgement & compensation – able to recognize, monitor, manage and in some cases resolve own barriers to well-being without substituting for or flooding any one dimension	Overcompensation – able to recognize barriers, but a tendency to either compulsively substitute unhealthy behaviors for an impeded dimension of nourishment, or to reactively diminish the importance of that dimension
<b>Disposition of Will</b>	Annihilation – repression of own sovereignty and choice, expressed as a reactive, submissive or paralyzed disposition and passive inactivity	Willingness – neutrality of will preceding all thought and action while maintaining confidence in own sovereignty and freedom of choice	Willfulness – forceful imposition of will that disrupts sovereignty and choice, often manifesting as obsessive or controlling behaviors
<b>Grief Resolution</b>	Arrested - unaware or in denial about loss and resulting grief and pain	Acknowledgement and acceptance of loss and able to allow grieving process to take its course without suppressing or overemphasizing its importance	Fixated on loss and emotional pain to the point where these are perpetuated and amplified

## 9. Moral Development & Widening Arenas of Action & Intention

As we strengthen each dimension of self through Integral Lifework, we can feel safe, confident and grounded enough to be vulnerable and intimate with others within that dimension. And as we moderate our barriers across all dimensions, we can confidently express our authentic being from moment to moment in more of our relationships and interactions. This, in turn, amplifies all of the energies in play. At some point we will integrate progressive nourishment in enough of our dimensions ignite entirely new modes of perception-cognition, and new ways of being. As a result, often without realizing it, we progress from a narrowly confined identity to an ever more expansive and inclusive identity. This may happen in fits and starts, with both soaring skillfulness and grim defeats, but eventually it results in identity and moral valuation evolutions outlined in the chart below. First we will catch glimpses of each new stratum as we mature, sometimes resisting our progression, and again sometimes leaping forward or slipping backward. But somehow we keep growing until we can comfortably inhabit each new stratum in a stable and reliable way, supporting it with multidimensional nourishment. It is important to acknowledge that this maturation process is not all-inclusive, inevitable or irreversible – healing, growth and transformation occur at different rates in our different dimensions and processing spaces. But ultimately, if we can continue to relinquish our previous conceptions of self, our insights and execution will become more skillfully compassionate.

How does this broadening sense of self impact arenas of affection and action? Paralleling these transformations of identity are the ever-expanding realms of manifestation in which we consciously focus our efforts. The flow of compassion we initiate in ourselves for ourselves never ceases or fragments, but our perception of that self – the felt sense of our boundaries of being – enlarges to include more and more interdependent phenomena. As we become more than our ego, we love more than our ego. And since love-consciousness is both prerequisite and companion to this evolution, love-consciousness grows continually in harmony and resonance with All that Is (according to our current understanding of what that means) until there is nothing left to encompass. In peak moments of fluid and effortless being, we become everything, love becomes everything, and everything becomes love. Consequently, more and more of our actions and intentions will operate within the broader and more inclusive arenas of our maturing identity, until what was previously understood as a summit is now appreciated as a helpful resting place.

The chart below describes the relationship between our “Self-Identification” and our “Strata of Moral Valuation” in this regard, with the lowest proposed levels of development at the bottom of the chart, and the highest proposed levels at the top of the chart. An explicit outcome and critical aim of Integral Lifework is to stimulate and support this moral maturation process.

<b>Self-Identification</b>	<b>Strata of Moral Valuation</b>
<p style="text-align: center;"><b>Unitive Infinite</b></p> <p>Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications</p>	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one’s ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all -so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree -but nevertheless carefully balanced -flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>
<p style="text-align: center;"><b>Formless Infinite</b></p> <p>Self Equates Non-Being, Non-Identification, “No Self”</p>	<p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>
<p style="text-align: center;"><b>Shared Spirit</b></p> <p>Identification With All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates “the good of All” (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion -a felt sense as well. Identification</p>

	<p>with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>
<p><b>All-Being</b> Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>
<p><b>Earth Life</b> Identification with Every Living System on Earth – All Its Individual Components &amp; Supportive Environments</p>	<p><b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>
<p><b>Human Society</b> Identification with All People Everywhere</p>	<p><b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>
<p><b>Affinitive Community</b> Identification with All People Who Share the Same Values or Experience</p>	<p><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades</p>

	<p>away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>
<p><b>Beneficial Community</b>  Identification with All People Who Benefit Each Other in Some Way</p>	<p><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; nonconformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>
<p><b>Committed Greater Self</b>  Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p><b>Tentative Greater Self</b>  Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>

<p style="text-align: center;"><b>Secure Tribal Position</b></p> <p style="text-align: center;">Identification with “My People”</p>	<p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with and subjugation of -other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>
<p style="text-align: center;"><b>Insecure Tribal Position</b></p> <p style="text-align: center;">Identification with “The People I Want to be My People”</p>	<p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is “right” or “wrong” is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small -a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>
<p style="text-align: center;"><b>Ego Identity</b></p> <p style="text-align: center;">Identification with Ego</p>	<p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>
<p style="text-align: center;"><b>Formative Identity</b></p> <p style="text-align: center;">Developing Ego and Ego-Identity</p>	<p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>
<p style="text-align: center;"><b>Unformed Identity</b></p>	<p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>

## 10. Integral Lifework in the Public Arena: Advocating for a Level 7 Political Economy

First some guiding principles and assumptions about how the most healing and constructive solutions to the ills of state capitalism – including the corrosion of democracy by cronyism and clientism – could be created in an advanced political economy. These are derived from a long tradition of prosocial moral and political philosophies, the importance of empathy and skillful compassion in all social relations, and the proposed impact of moral advancement on attitudes about property ownership, natural ecosystems, systems of production, styles of governance, and types of democratic participation. Essentially, they reflect a values hierarchy predicated on an *agape* that recognizes the inherent, equal worth of every individual, and the consequent freedoms, protections and access to opportunity that must be afforded every human being in an advanced political economy. They are summarized as follows:

- A philosophy of government that more fluidly and directly expresses democratic will, and does so equally, inclusive of all ideological orientations and special interests, without disproportionate influence through concentrations of material wealth or social capital.
- An economic system that inherently enables the most equitable, egalitarian distribution of opportunity, material wealth and social capital, and provides a level playing field for all potential and existing producers of goods and services. This system sustains itself in a stable, high quality steady state - or more probably in predictable cycles of ebb and flow that are dynamic but not extreme - rather than relying on constant growth.
- An education system that supports all other systems with a diversely informed populace trained in compassion, critical thought, alternative viewpoints and broad-spectrum dialogue; that is, a populace whose literacy, expertise, proficiency and interests can help manage economies and governments at all levels from a more advanced moral orientation.
- A mediasphere that offers a neutral space for the emergence of divergent perspectives, while at the same time providing both democratically controlled feedback mechanisms for accuracy and fairness, and unlimited access to independent evaluative data on all sources of information.
- An industrial production system that not only strives toward an equitable distribution of profits and decision-making within each organization, but also incorporates social, political and ecological externalities into its strategic and tactical metrics and decisions, for the greatest benefit to all (in harmony with the precautionary principle). For example, factors like biological diversity,

environmental sustainability, community empowerment, democratic feedback mechanisms, cultural diversity, and the health and well-being of workers and consumers would all be taken into account.

- An energy production system that relies on highly distributed, scalable, renewable resources whose capacities in a steady-state or cyclical non-growth economy inherently exceed demand as both conservation and efficiencies increase over time.
- A monetary system that does not, by its very nature, create inflationary pressures, perpetual debt-slavery, or concentration of wealth in private banks, but instead encourages investment opportunities for all, while remaining under public, democratic control.
- In all of these contexts, initial policies and rigorous metrics would strive to maintain a continuous Pareto efficiency, as framed by the intention that public goods eventually overtake most arenas of private profit.

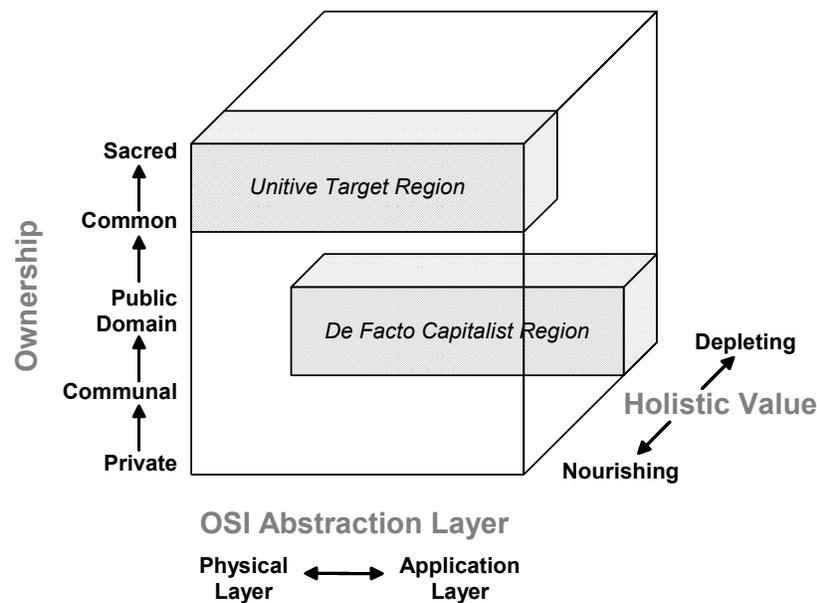
Where these guiding principles lead us should have, by design, tremendous variability and flexibility in implementation, but they can nevertheless provide us with a few instrumental assumptions regarding our roadmap's milestones:

- The first stage of transition demands a carefully balanced, mixed economy that retains necessary centralized standards, systems and supportive structures, but shifts the implementation and management of those standards, systems and structures away from centralized administration and toward highly distributed self-governance. Thus, although the most complex building blocks of this political economy are still organized and integrated on a large scale, they would be tactically managed on a smaller, distributed scale. For example, centralized infrastructure and essential services (i.e. the most foundational and universal processes, production, services and institutions of the new political economy) would provide a "Universal Social Backbone," which in turn supports a host of spontaneous, decentralized, rhizomatic and community-centric elements that thrive under distributed management.
- Exchange values would be calculated on a proposed "holistic value," which includes multiple dimensions of import, many of which are now often considered mainly in the abstract – or as bothersome externalities. Holistic value is an attempt at a more comprehensive valuation, and so includes a host of metrics including, but not limited to, perceived and intersubjective use value, effective nourishment value, and potential "perverse utility" – that is, a negative value based on possibilities of abuse or harm. The ongoing impact of goods and

services on environmental, individual and social thriving would be measured in as many dimensions as possible, then fluidly and transparently promoted to the electorate, so that exchange values can be revised to enable the greatest good for the greatest number. In this way, informed direct democracy would override the artificially engineered tensions of demand and supply.

- While property of all kinds would increasingly fall under a “res communes” property designation, other designations (public domain, private, communal, etc.) would still exist on a scale commensurate to the workers, stakeholders and beneficiaries involved. In other words, we would create a kind of transitional, hybrid form of property ownership, where everyone who has a stake in the use, profits, privileges, impacts or benefits of any property – whether that property is a natural resource or the result of service and production activities – would have a say in how that property was used and managed, and how its benefits are distributed. Again this means that residents, consumers, workers and government officials are all part of the mix; what is held in common for the benefit of all is administered (again at a community level, if possible) for the benefit of all by those whom it benefits – with a clear appreciation of externalities and holistic value as part of this mix. While this hybrid ownership schema initially might favor those who appear to have a greater stake in certain property, its eventual aim would be to shift into purely “common” ownership where such emphasis would no longer have priority.
- Along the lines of the hybrid property ownership feature, but also to address the rule of law and other essential civic institutions, direct democracy and direct civic involvement at the national, regional and community levels would at first augment, then increasingly replace the current representative abstractions of governance, banking, commerce and institutional accountability on every scale – from the local level to the global.

## Progressive Property Position



As we then refine planning, increasing granularity from the thirty-thousand-foot level to concrete action items, we need to propose specific solutions that are tailored to each unique cultural, demographic and economic environment around the globe. Thus the interdependent design of a post-capitalist system will be complex and multifaceted, but below are a few of the more generic considerations for just one such implementation, in this case the U.S.A. These proposals have also been borrowed from *Political Economy and the Unitive Principle*, and although the concepts and language are more thoroughly defined in that book, I have rephrased things here to provide insight into how each of these proposed components are formulated.

1. To whatever degree possible, quid pro quo political connections between industry, finance, a more direct democratic implementation of government, the mediasphere, the education system, and the health-and-welfare system must be severed, then insulated from each other as rigorously as possible. These are of course interdependent structures, but separation could be maintained through independent funding, governance processes and decision-making cycles, with differing degrees of direct democratic involvement – or insertion of the democratic process at different junctures in the governance process, so as to counterbalance short-lived collective impulses. What we are aiming for here is a pragmatic, clearly boundarized functional and political separation. The final purveyor of this separation is of course the general populace, but that democratic will would be concentrated and normalized through different formulas and

durations of leadership - as well as staggered referendum cycles and legal restrictions on revolving door leadership deployments across these divisions.

2. Although all government would still consist of executive, legislative and judicial branches, the two-party system would of necessity be abolished. Instead, the legislative branch would be restructured to reflect either a parliamentary system, or some other effective means of non-polarizing proportional representation. In addition, more frequent direct national referendums would guide public policy at the national level, so that procedural sabotage of democracy (such as the current "majority of the majority" rule in the House of Representatives) could be overridden. Likewise, direct votes at each level of government, all the way down to local, would inform policy and practice at those levels. A certain percentage of government representatives could also be chosen at each level of government through a service lottery, much as jury duty selections occur today, to serve for a limited time as part of decision making bodies (citizen commissions, city councils, state legislatures, etc.). And a certain percentage of representatives would be selected through a multi-party election process without primaries, to serve for longer terms than those selected via lottery, but with a limit on the number of terms they could serve. It should be understood and appreciated that highly advanced societies will require highly specialized skill sets for these elected officials, and that many independent schools of technocratic proficiency will inevitably arise to meet this need. The key will be to ensure that all such specialized viewpoints are adequately represented, while concurrently balanced with citizen input and community-based authority.
  
3. Labor would be separated into two distinct categories that are organized and managed in different ways. The first category would be "infrastructure and essential services" (i.e. the Universal Social Backbone). These are the fundamental products, institutions and services necessary for any sort of complex society to function at the most basic levels, and which have already tended to be socialized in most mixed economies. Roads, bridges, water, electricity and communication are the first tier of this category, followed by more abstracted products and services that build on those foundations, but are still perceived as universal expectations by the general public. This second tier is comprised of the systems and institutions that provide the backbone of civil society. For example, public transportation, public healthcare, public education, public safety services, social security, and so on. As expectations differ from one zeitgeist to the next, so would the scope of inclusion in these tiers. I happen to think basic banking and insurance services, basic nutrition, basic housing, mail delivery, fundamental scientific research, worker retraining, employment placement services, and unemployment benefits also fall under "infrastructure and essential services." One common thread of these public domain industries, however, is that they facilitate trade for the second category of labor. This is a

crucial point: without centrally coordinated infrastructure and essential services, there really is no way to enable a reliable (or equitable) exchange economy of any kind.

To whatever degree possible, *all of this should be organized and tactically managed at the community level*, with centralized standardization and support, subject to direct democratic control. Instead of centrally run state institutions or corporations, there would be **networked, non-profit, worker-owned cooperatives** that are centrally regulated and monitored, but administered with a substantial degree of autonomy at the community level. It might also be interesting for different regions to compete with each other for customer satisfaction, and be rewarded in some way for their success. If the service or product being delivered provides the most fundamental level of infrastructure or essential services, there wouldn't be competition for customers between the cooperatives, but the cooperatives would be limited in size (by service area, etc.), and subject to public input and scrutiny to ensure an adequate level of service delivery. If the service or product is not part of infrastructure or essential services, then the non-profit cooperatives could compete with each other for the same customers across different regions. So although there is a strong element of central planning here, the actual control and execution is highly segmented and distributed, both because of the divisions of government already alluded to, and the emphasis on community-level organization.

There should be some mechanism to ensure the Universal Social Backbone doesn't somehow undermine individual contribution to society by inoculating the least morally developed against survival or well-being concerns. That is, there would be some form of citizen reciprocation for this foundation, and consequences for a lack of reciprocation. So, for instance, everyone who receives benefits could participate in these very same programs as unpaid volunteers for short but regular periods of time, with consistent expectations of performance. If someone chooses not to volunteer, or willfully demonstrates exceedingly poor performance, their access to some or all of these services (or perhaps certain qualities of service) could be restricted.

4. The second category of labor is for production of goods and services that add value to society above and beyond essential services. There would be several tiers to this category. At the top would be certain major industries, especially those that a) have essentially become closed to rapid or major innovation, b) are de facto market monopolies, or c) otherwise dictate economies of scale with highly centralized controls. These would become worker-owned cooperatives subject to governmental oversight, with the level of government responsible for oversight always larger than the size and reach of the business itself. These would be much like the first category of labor, but in this case for-profit. There is

no reason why this tier couldn't compete with cooperatives in the first category, wherever that makes sense. Again, the scope of this category will change from one culture to the next, and from one generation to the next.

In the second tier we find medium-to-large businesses, once again worker-owned cooperatives, which would compete with each other for customers. Communities in which either of these two top-tier businesses are located would have the ability to a) reject proposals to start a business in a given location, b) introduce progressive penalties on a misbehaving or undesirable business in their community, or c) rescind a business's privilege to operate in their community altogether for cause. All of this would be accomplished through a direct referendum process, with the intent that all such businesses work closely with the community to address that community's preferences and concerns. The third tier would be sole proprietorships or very small businesses (perhaps five employees or less?), which is the only tier where a business entity could be privately owned and managed, and thereby be insulated from community controls. This three-tier system - or an equivalent approach - is an absolute necessity, in my view, since currently such huge concentrations of wealth and influence in the private sector has demonstrated itself to be the greatest threat to a functional democracy, the most pernicious abuser and exploiter of workers and the environment, and the most disruptive to our collective moral maturation process. In other words, these huge privatized industries are simply too powerful to be permitted to exist outside of the democratic process as they do today.

5. The ratio between the salary of the highest paid individuals in a given field and that of the lowest paid individuals in the same field - as well as what the highest and lowest wages would be, the benefits of seniority, and other aspects of pay structure - could be publicly determined through a direct democratic process by the general populace for all organizations that are not privately owned (i.e. government agencies, non-profits, and for-profit enterprises). The same formula could be applied to the ownership of communal property shares in any enterprise. To avoid rapid salary swings, changes could be incremented over time. In addition, the highest and lowest wages across all of society could also be democratically set to reflect their holistic value as evaluated and agreed upon by the electorate. In both cases, this wage-setting process could be repeated regularly every few years. Using some combination of consistent calculation factors, this would reflect a more equitable distribution of wages within organizations and across whole industries, especially as some positions between those organizations become interchangeable. It also has the potential of eliminating the lopsided educational funding, career flocking, research and development and other investment bias created by excessive wage imbalances. As our culture matures, the objective could be to amplify the social capital of

fields that contribute constructively and holistically to society. To include a competitive variable in this equation, profit-sharing would not be part of these set wages, but in addition to it. However, profit-sharing could also be distributed according to exactly the same wage ratios. There could of course be other profit (or communal property share ownership) distribution mechanisms, but the goal is to curtail the stratospheric concentration of wealth in any individual or group of individuals.

6. As an important holistic value consideration, trades that fall under perverse utility (i.e. have a high probability of abusive, addictive, lethal or socially destructive impact) would be subject to train-test-monitor controls. This is important because these particular trades tend to erode social cohesion and moral evolution. Along the same lines, human interaction with the Earth's ecosystems should be compassionate, sustainable and low-or-no impact. I appreciate the core tenets and twelve design principles of the Permaculture movement, and think they provide an excellent starting point here. Further, the "precautionary principle" would ideally guide all technology development and deployment, harmonizing with slower product development cycles no longer driven by quarterly profit pressures.
7. Energy from renewable resources could be produced locally whenever possible, via community cooperatives, and ideally using business and residential structures as installation platforms, then aggregated and distributed within each geographic region as needed. The absolute end of fossil fuel and other nonrenewable energy production should, I think, be aggressively, rapidly and relentlessly pursued. This is not only for the sake of eliminating carbon emissions, but also because the very nature of concentrated-yield sources like petroleum distorts consumption expectations and reduces costs in the short term, while the long term reality of stable, steady-state energy sourcing dictates entirely different consumption and cost relationships. Local-renewable approaches align with the longer term energy expectations, and mirror the distributed nature of production, labor and political power in this new political economy.
8. Part of a fundamental education should, I would think, be the inclusion of many of the concepts addressed here and in *Political Economy and the Unitive Principle*, with an emphasis on comprehensive training in full-spectrum nourishment, synergistic dialogue, moral creativity and development, and an overview of the strengths and failings of various political economies. And of course students, parents and teachers should all share responsibility for the structure and management of a more participatory educational environment. I also believe exposure to other cultures has extraordinary benefit for the young, and to that end every child should have the opportunity to experience for themselves how

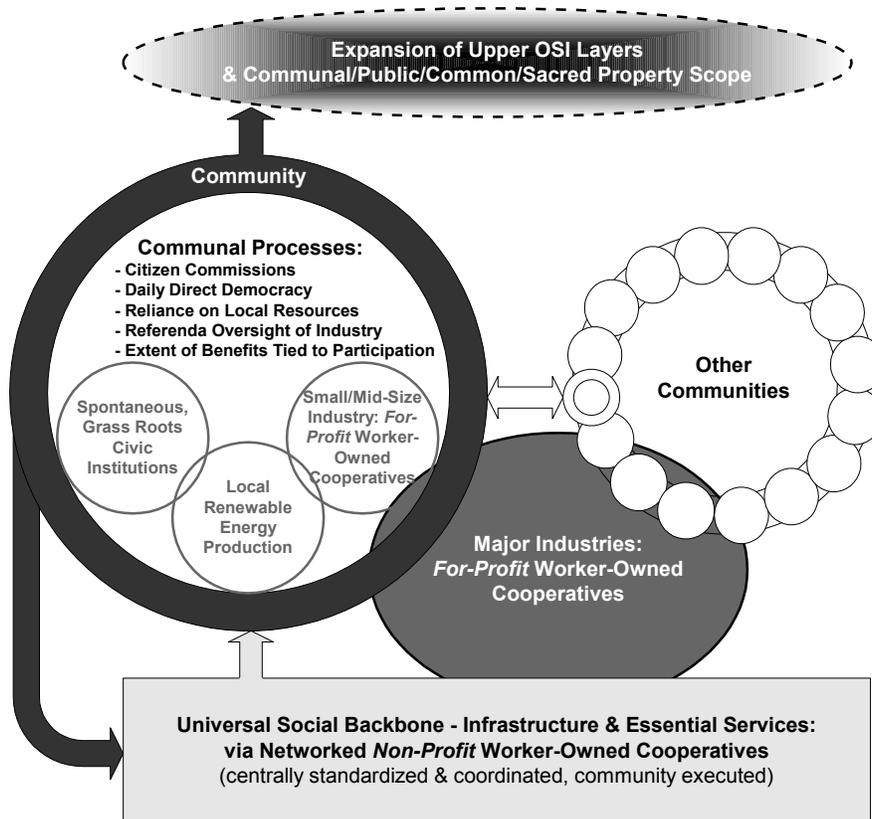
the rest of the world lives, ideally by traveling to and living among other cultures. In fact, this is probably a critical foundation for appreciating diverse viewpoints, navigating social complexities, and learning to think multidimensionally. It seems the broader and deeper the vocabulary of language, ideas and experiences made available to our young people, the more likely they will be able to manage complex responsibilities for the rest of their lives. But the intent behind all of these approaches should be to encourage the advanced moral function necessary to sustain the new political economy being proposed.

9. The importance of civic institutions and social movements that arise spontaneously - often operating independently of both markets and government - should also be recognized and vigorously facilitated. These not only fill gaps in needed services and resources, but may provide unexpected change agency toward a higher moral function in society. In particular, community development corporations (CDCs) and community land trusts (CLTs), when guided by community input and participation, offer a promising mode of communal transformation. At the same time, institutions that become well-established players in civil society should also be subject to direct democratic control – just as government, non-profit and for-profit enterprises would be under this proposal.
10. Clearly some attention must also be given to reforming the tax code. In market-centric economies like the U.S., taxes are often used to incentivize some behaviors while penalizing others. This tool should no longer be needed to the same degree, and the tax code could be substantially simplified as property ownership – and the surplus value of production – advances into more unitive strata – that is, as society evolves to value everything more collectively. As an interim step, a progressively tiered tax rate with very few deductions should work for individuals, along with a similarly tiered tax rate on net income for businesses, based on their size. In conjunction with this, a flat rate "wealth tax" could be implemented across the board to augment and perhaps eventually replace income taxes. As property position shifts, this wealth tax, in turn, could increasingly be calculated on accumulated shares of communal property.
11. The monetary system should be subject to the direct control of the people as a socialized central bank, in conjunction with a national network of non-profit cooperatives and community banking systems. For-profit lending institutions could be entirely eliminated, and fractional reserve banking would, at a minimum, be strictly restrained by a conservative leverage ratio – one that is either set in stone or can only be adjusted to be more conservative, not less. Government institutions would no longer pay interest on any loan, and indeed a set percentage of government loans would be lent interest-free to large scale entrepreneurs, non-profit community organizations, community land trusts and

worker-cooperatives, in order to stimulate innovation, create a level playing field for emerging disciplines and technologies, and instigate a road to self-sufficiency. Special targeting of "outsider" innovation would also be an ideal standard, but realistically this may have to be left to the market side of the mix. There is also opportunity here to institute a gift economy with a certain percentage of government lending as well, and this should increase over time as the moral creativity of society evolves.

12. One of the consequences of financial system reform would be the elimination of the stock market as it exists today. It is difficult to conceive of any sort of stock exchange scenario that can't be exploited, or that doesn't contribute to market instability, as has been evidenced many times over in the U.S., and has only increased with the advent of automated computer trades. That said, there should probably be some opportunity for stock trades to occur, so that outsider innovations and other market advantages can be facilitated in emerging industries. However, the resulting stock exchange system would be of a much smaller scale than its current manifestation, and would be looked upon more as an interesting experiment than a central feature of the economy. There could also be strict restrictions on highly speculative investment instruments, and perhaps a small tax on every trade, to further contain volatility and reduce impact on the rest of the economy.
13. It may also be useful to either institute or promote different kinds of currency that operate mainly within different dimensions of the economy; for example, there could be gift dollars, market exchange dollars, public utility dollars, barter systems, community banking systems, and other currency independent of fiat money. These could still be sanctioned and coordinated through the socialized central bank, or just be encouraged and supported through independent institutions, so that morally advanced experiments can demonstrate proof-of-concept.
14. In order for any of these ideas to retain integrity and resist corruption in a fully functional democracy, the electorate must have access to both raw data and complex analysis tools about virtually every element of society. Whether it be a judge's rulings history, a manufacturer's product safety record, or a politician's legislative patterns, multidimensional data on every individual and institution in public life should be readily available via the web at no cost. In addition, users should be able to specify values criteria that represent their priorities, and dynamically display data according to those personal criteria. A standardized analysis tool could be provided across several competing information sources: nonprofit government-run clearinghouses, community-based information providers, and mass media news outlets.

15. What I describe in *Political Economy and the Unitive Principle* as “an expansion of the upper OSI layers of property” will become increasingly important over time. Initially this refers to what has been traditionally categorized as the creative thinking, cultural riches, intellectual property or academic pursuits in society, and especially that which thrives in the commons of universally shared media, research, innovation and communication. But really this also expands to include what are the most intangible, non-material elements of human endeavors, interaction, consciousness and self-expression, forming an abstracted realm of exchange that will always transcend ridged institutions, mundane commodities, and predictable systems to produce the true wealth of human experience. These spontaneous, organic creations rely upon the “lower OSI layers” in order to thrive (for example, the aforementioned Universal Social Backbone eliminates antagonistic survival preoccupations and, when combined with voluntary reciprocation, reinforces relevant social contracts), and cannot advance without that support.



But how can we transition towards this ideal, and away from our current, highly destructive form of growth-dependent state capitalism and its pernicious undermining of democracy? Here are some possible first steps:

1. Educating people about economics, technology, the functions of government, and what is actually healthy and helpful for individual and collective well-being and happiness, all-the-while exposing the deceptions and misinformation that are mercilessly disseminated in service of profit.
2. Encouraging moral maturity, compassion and empathy through revised interpersonal standards, better awareness of multidimensional nourishment, and inspirational modeling.
3. Holding accountable those government officials, businesspeople, and average citizens who persist in indifference and callousness, and doing this through education about values hierarchies, societal expectations and the rule of law, while also eliminating the social and economic incentives for this behavior.
4. Promoting holistic approaches to well-being that counter addictions, consumerism, self-destructive habits and externalization of personal power.
5. Creating new institutions that “compassionately tribalize” all of these more evolved, sophisticated and morally responsible values, and create a safe place to reinforce and propagate the most proven and constructive means of moving forward.

Anyone who has endeavored to promote these or similar countermeasures to capitalism has invariably faced the entrenched interests of atrophied institutions and the powers-that-be, along with the draconian defense mechanisms of the ruling class. Even so, there have been progress and immensely positive examples of how alternatives to plutocratic state capitalism could evolve. I am reminded of democratic socialism in Europe, the Mondragon experiment, direct democracy in Switzerland, Canadian credit unions, etc.

However, any new, more progressive system will fail unless we accelerate our individual and collective moral evolution to embody a more inclusive, collaborative, equitable and compassionate meta-ethical framework. This is in contrast to our current political economy, which reinforces ethical regression. History demonstrates time and again that civic institutions must operate from principles at the same level moral maturity as the electorate, because whenever they attempt to exceed that level, they ultimately become ineffective, corrupt or collapse entirely. And because state capitalism has endeavored for so long to infantilize consumers into perpetual dependency, selfless and compassionate participation in government and the democratic process has waned proportionately. But we can no longer remain children.

To that end, we return to Integral Lifework as a possible mechanism for evolving civil society. As noted in the previous section on moral development, it is my contention that we cannot mature, in a moral sense, unless we are fully nourishing all dimensions of our being. Such harmonized support is required for more unitive structures – that is, more affectionately compassionate attitudes and habits regarding ourselves and others – to flourish and grow both individually and collectively. This is my hypothesis, grounded in time-honored mystical traditions from around the world and observations from my own work and life. But the proof is in the pudding, as they say: it is only possible to observe the benefits of the practice once we engage it fully. Remaining outside of the practice and speculating about its efficacy isn't a very tenable position; *ab intra* validation always trumps *ab extra* conjecture. So my exhortation would be to invest in Integral Lifework as a means to an end, with the only costs being a little time and effort, a little learning, a little refining of guiding intentions, and a little more flourishing of being.

# Integral Lifework Developmental Correlations

*Moral Function, Political Economy & Self-Identification (November 2014)*

The following chart is a consolidation of developmental themes recurring throughout my writings on Integral Lifework. Some of the definitions and terms have been updated to reflect an evolving understanding and should replace previous iterations. Although important elements of the idea have been identified as part of a progression inherent to mystical gnosis (see [The Vital Mystic](#) and [Essential Mysticism](#)), “Unknowing Emptiness” is formally identified as a strata of moral valuation here for the first time; importantly, in more brief and diluted forms it is also a transitional component between the other strata. Within the chart are terms and concepts that are more thoroughly defined and attributed in the course of the works referenced in each column heading. Some of the principles of development covered in those works include:

- For development to occur, all dimensions of being as they are defined in Integral Lifework (see the [Integral Lifework Nourishment Assessment](#) for a summary, or [True Love, Integral Lifework Theory & Practice](#) for an in-depth description) must be consciously nurtured, harmonized and progressively integrated. This nourishment creates the supportive structures – both individually and collectively – that stimulate and support a moral maturation process.
- It is not possible to fully and consistently operationalize next-level moral valuations without first experiencing the intentions, habits and consequences of previous orientations.
- Development is not uniform, orderly or irreversible. Instead, each dimension of being may advance independently of the others, so that imbalances in nourishment tend to be reflected in lopsided maturation. Consequently, the resulting evolution is more like a dynamic dance than a linear progression.
- Compassionate integration of earlier values orientations does not preclude abandonment of certain elements of those previous orientations; in other words, as moral function evolves, some attitudes and priorities may become vestigial, subordinated or sloughed off entirely. It is important to differentiate this process from repression; instead, this is more of a de-energizing of unskillful or antagonistic concepts, relationships and patterns.
- The maturation of our values system – and inhabiting the moral strata as they are defined here – has consequences for both our [Functional Intelligence](#), our ability to [manage complexity](#), and our capacity for sustaining advanced civic ideologies and systems.

<b>Self-Identification</b> <i>(Memory : Self, 2010)</i>	<b>Strata of Moral Valuation</b> <i>(True Love, Integral Lifework Theory &amp; Practice, 2009)</i>	<b>Level of Political Economy</b> <i>(Political Economy and the Unitive Principle, 2013)</i>
<b>Unitive Infinite</b> Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all - so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree - but nevertheless carefully balanced - flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>	<p style="text-align: center;"><b>Level 10</b></p> <p>In Applied Nonduality, the concept of property and its categorizations, valuations and layers of abstraction evaporates entirely, and regression to into previous modes of exchange and valuation is inconceivable. The unending flow of an actualized, overarching purpose is all that remains here, as guided and energized by an all-inclusive love-consciousness.</p>
<b>Formless Infinite</b> Self Equates Non-Being, Non-Identification, “No Self”	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>	<p style="text-align: center;"><b>Level 9.5</b></p> <p>As it manifests in a political economy, Unknowing Emptiness represents a period of turmoil and self-doubt, and has usually been a necessary component of transition from each Level to the next throughout development. Here, however, the unmaking of previous conceptions and orientations is more complete; a more vigorous annihilation of all that came before and all that as anticipated. Representations and abstractions of property may still be <i>sacred</i> (or valued), but constructs like <i>ownership</i> increasingly become erroneous to the core experience of unitive interdependency, and thus disconnected from exchanges and relations; the footing for values hierarchies evaporates. As may have been the case in previous Levels of political economy, we can experience the momentum of earlier structures, systems, valuations and purpose carrying us forward as operative habits, but we come to recognize that these, too, are nothing more than tenuous, conditional constructs. So this is the moment in the trapeze act when we collectively let go of the rope that has swung us here, without knowing for certain if there is another rope to grab on the other side.</p>

<p><b>Shared Spirit</b> Identification with All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates "the good of All" (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion - a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>	<p style="text-align: center;"><b>Level 9</b></p> <p>Spiritual Universality begins to revise the <i>common</i> property designation still further. The desire to elevate intersubjectivity relaxes until a more unitive perspective permeates all valuations. Now there is a shared intuition that everything that once resided in other <i>ownership</i> categories is actually <i>sacred</i>. In fact, those previous categorizations are mainly perceived as destructive and unhealthy, and so any lingering subordinate relationships with property dissolve. However, because this stratum is so fluid - and because it can still be interrupted by regression - subordinate relationships may appear and disappear as required in continuously revising contexts. Despite these difficult but sometimes necessary hiccups, the primary flow of Level 9 is that the entirety of existence has intrinsic value, and so all human activity must engage that existence with unconditional compassion. There is also a strong intuition of a shared, unifying purpose, and an increasing desire to acquiesce into that purpose. At this stage, <i>holistic value</i> becomes equivalent to the <i>sacred</i>, intrinsic value that is collectively held.</p>
<p><b>All-Being</b> Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>	<p style="text-align: center;"><b>Level 8</b></p> <p>In Transpersonal Holism, the process of commonization is now complete. There may still be pockets within the commonized architecture that hold on to previous property categorizations, but they become exceptions that are functionally and systemically isolated within the accepted status quo. Because of the intersubjective validation promoted in this stratum, systems and institutions are resilient enough to tolerate a broad diversity of moral function while still advancing a higher order moral orientation, thus the tumult we saw in a World-Centric stratum subsides. Through this stabilization, many forms of what in previous strata were considered to be <i>potential</i> property can now effortlessly be designated as <i>sacred</i>, purely to honor and celebrate their intrinsic value. In this level, the concepts of exclusion or exclusivity are so rare that even the designation of <i>personal</i> property becomes unnecessary. Thus even the concept of <i>holistic value</i> itself no longer provides significant differentiation from internalized values hierarchies or collective relationships with property. All the multiplicities of nourishment have now been integrated into a single thought field - an integral noosphere - so that <i>holistic value</i> becomes a collective experience and intuitive understanding that validates itself.</p>

<p><b>Earth Life</b>  Identification with Every Living System on Earth – All Their Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;">↑  <b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>	<p style="text-align: center;"><b>Level 7</b></p> <p>In the World-Centric moral valuation stratum, all previous property categorizations dissolve into a dominant <i>common</i> property paradigm. Because of a now firmly established interdependent systems orientation, any designations of <i>private</i>, <i>potential</i> and <i>communal</i> property become increasingly non-existent. Even <i>public domain</i> property becomes a temporary holding space for transition to <i>common</i> property assignment. We also see an enlarging scope of <i>wild things</i> set aside as perpetually <i>sacred</i>, not as an investment for future utility, but because <i>wild things</i> are esteemed in and of themselves (i.e. have intrinsic value independent of human valuation). Once the commonization of property is pervasive, there is no longer an elite class to disrupt or exclude others from sharing equally in property benefits. And because there is so little <i>private</i> property, a conventional exchange economy no longer exists in the mainstream. However, until commonization is complete, other property categorizations and their resultant economies and classes can persist, creating an organic, hybrid environment that is understandably tumultuous and unstable, but nevertheless reaches onward towards Level 8. At this stage, a subtle, multidimensional and highly sophisticated <i>holistic valuation</i> is replacing <i>exchange value</i> in human relationships with property across all OSI <i>abstraction</i> layers.</p>
<p><b>Human Society</b>  Identification with All People Everywhere</p>	<p style="text-align: center;">↑  <b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>	<p style="text-align: center;"><b>Level 6</b></p> <p>Arriving at the stratum of Principled Rationalism, the property organization of previous Tribal, Individual and Communal moral orientation is more vigorously challenged. <i>Public domain</i> property now becomes the ideal categorization, with <i>private</i> and <i>communal</i> assignments subordinated to that objective. For the first time, setting aside <i>wild things</i> as <i>sacred</i> may be considered, but mainly as an investment for future resource depletion or other <i>public domain</i> need; so, provisionally <i>sacred</i> until a scarcity crisis assigns it to <i>potential</i>. The desire to maintain an egalitarian <i>public domain</i> property categorization can, however, lead to behaviors that echo previous moral orientations; for example, a de facto elitist privatization of property "held in public trust" but controlled mainly by the most influential class, for the benefit of that class. <i>Holistic value</i> calculations now have a much more diverse and inclusive basis, as collective understanding of what constitutes nourishment and the interdependence of all nourishment dimensions becomes more sophisticated. <i>Exchange value</i> is increasingly aligned with this more complex <i>holistic value</i> across most OSI <i>abstraction</i> layers.</p>

<p><b>Affinitive Community</b> Identification with All People Who Share the Same Values or Experience</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>	<p style="text-align: center;"><b>Level 5</b></p> <p>As Individualistic imperatives wane, a more Communal flavor of property assignment takes hold. Initially, there will be a desire to maintain <i>private</i> property for personal gain, but eventually that privatization is understood to be collectively shared by an exclusive group, and collective advantage begins to outweigh personal advantage. Tentative <i>public domain</i> property is still assigned because of its exchange facility within the community and with other communities, but it retains its <i>potential</i> to become <i>communal</i> property, especially if other, highly valued resources become depleted. In these strata anything not perceived as having such <i>potential</i> may be relegated to <i>common</i> or <i>sacred</i> property, once again increasing prestige for the community, but this orientation is eventually held with less exclusivity, and a more generous attitude of access and benefit to other communities. A fuller understanding of interdependent nourishment processes leads to a broader, more inclusive calculation of <i>holistic value</i>. Positive and negative externalities now gain importance in that calculation as well, especially when they impact social capital within and between communities. Thus <i>holistic value</i> begins to influence <i>exchange value</i> to a greater degree.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; non-conformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>	<p style="text-align: center;"><b>Level 4</b></p> <p>In Individualistic moral orientations, <i>communal</i> property becomes increasingly employed for the collective benefit of affinitive or opportunistic associations, and we might even see the first glimpses of <i>public domain</i> allocation beyond the facilitation of secure exchange, if only to be perceived as concerned about the collective good. However, even such <i>public domain</i> assignments will be tentative; in reality everything in the <i>public domain</i> is still <i>potential</i> property, only temporarily or conditionally set aside. So <i>private</i> property still maintains its principal importance in these strata, if sometimes dressed up for the constructive illusion of collective advantage. Assignments of <i>sacred</i> property are also tolerated for the same reason, but <i>wild things</i> are still viewed as <i>common</i> or <i>potential</i> property. <i>Holistic value</i> can now be calculated more flexibly, with a perceived advantage-of-the-moment in mind, along with all previous input streams. Nourishment differentiation is</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	

<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	<p>more defined, but its interdependence is not yet appreciated, and so negative externalities are generally dismissed. Thus <i>holistic valuation</i> still has little correlation with <i>exchange value</i>.</p>
<p><b>Secure Tribal Position</b> Identification with "My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with - and subjugation of - other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>	<p style="text-align: center;"><b>Level 3</b></p> <p>As moral function evolves through Tribal strata, a more <i>communal</i> categorization may take hold for a few shared resources, but the emphasis will still remain on extensive privatization and various hierarchies of <i>private</i> property. Even from a Tribal perspective, "communal" may just represent a form of elitist privatization for the most influential class, and so here, too, anything not yet privatized will be viewed as <i>potential</i> in nature, including <i>wild things</i>. <i>Public domain</i> property is only grudgingly tolerated in order to facilitate and secure an exchange economy for <i>private</i> property. <i>Sacred</i> property may be defined in these strata, but only for the prestige or perceived advantage of the tribe in competition with other tribes. Now externals begin influencing <i>holistic value</i> formation, as the tribe's priorities usurp personal gratification. However, <i>holistic valuation</i> remains fairly abstracted from <i>exchange values</i>.</p>
<p><b>Insecure Tribal Position</b> Identification with "The People I Want to be My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is "right" or "wrong" is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small - a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>	
<p><b>Ego Identity</b> Identification with Ego</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>	<p style="text-align: center;"><b>Level 2</b></p> <p>In the Egoic valuation strata, an I/Me/Mine moral orientation organizes property into the most <i>private</i>, personally consolidated state possible. Anything that hasn't yet been acquired is viewed as <i>potential</i> property, and nothing is <i>sacred</i>. Likewise, <i>holistic value</i> is generated through I/Me/Mine calculations, and there is only a vague sense of nourishment differentiation, usually derived from the current and most compelling appetite.</p>

<p><b>Formative Identity</b> Developing Ego and Ego-Identity</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>	
<p><b>Unformed Identity</b></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>	<p style="text-align: center;"><b>Level 1</b></p> <p>In Egoless Raw Need, property <i>ownership</i> categorization hasn't yet occurred. In a strange sense, all property is probably viewed as <i>common</i> and boundryless; it is a limitless resource existing only to service to fundamental appetites and willful imperatives. There is not yet a care for, or conception of, <i>ownership</i> assignment or exclusion. In the same way, <i>holistic value</i> is monodimensional: there is only the primary and singular raw need that subjugates all nourishment differentiation.</p>

Elements of these progressions have been theorized and speculated about by a number of thinkers – Aristotle, Paul of Tarsus, Marcus Aurelius, Plotinus, Thomas Aquinas, Rumi, Hefez, Teresa of Avila, Spinoza, Leibniz, Hume, Rousseau, Smith, Kant, Hegel, Mill, Freud, James, Tielhard de Chardin, Jung, Piaget, Underhill, Aurobindo, Merton, Lewis, Maslow, Krishnamurti, Freire, Gebser, Loevinger, Graves, Murdoch, Fowler, Kohlberg and Wilber...to name just a fraction. And although many of these ideas can be experientially confirmed as legitimate placeholders for an emergent psycho-social-spiritual process, it is extremely difficult to empirically validate them. So for now this is just a theory, and one that relies in equal parts on *gnosis*, felt sense, intellectual intuitions, rational dialectics and creative extrapolations; exclude any of these contributing streams from the field of synthesis and the theory will lose cohesion. I also suspect there are additional gradations to be defined. My hope is that the application of Integral Lifework's nourishment paradigm in various contexts, and by large groups of people who have committed themselves to the greater good, will produce a large enough body of evidence to either refute, revise or expand these developmental correlations.

For additional information about the larger body of my work, please visit [www.tcollinslogan.com](http://www.tcollinslogan.com). For more information about Integral Lifework, please visit [www.integrallifework.com](http://www.integrallifework.com).

# Level - 7

## Tools For A New Political Economy

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## Neoliberal Attacks on Science

Many of the same players have been involved in neoliberal attacks on science, with the dual aim of protecting high-profit cash cow industries, and restricting government interference in corporate control of those markets.

### *The Main Players*

The main players in the “science skepticism” deception can easily be traced to many of the neoliberal think tanks. However, it should also be appreciated that a preexisting tendency to doubt scientific conclusions (and/or feel antagonized by them) already existed among a majority of religious conservatives in the U.S. This has been evidenced over the many decades of active resistance from conservative, faith-based communities and organizations to everything from teaching evidence-based sex education and evolutionary theory in public schools, to denying the science around genetic factors in homosexuality, and disputing the efficacy of psychotherapy. So really, as an initial launching point for popular opposition to research and government policies they didn't like, all neoliberal strategists needed to accomplish was to amplify that skepticism and focus it on their issues of choice. And that's precisely what they have done.

One of the more salient examples of this is the anti-science propaganda campaigns neoliberals initiated around

**tobacco health risks, climate change, acid rain, pesticides, ozone and other evidence-based concerns,** which is illustrated in the graphic below. All of these linkages are easy to trace, and resources for verification are included below the graphic. Appreciating just how obvious these efforts have been should help warn anyone about the scope and intent of the neoliberal agenda: for neoliberals, anything that interferes with profits, capital flows or corporate control will be discredited, villainized, delayed or politically immobilized. For such folks, attacking science that can potentially disrupt their plutocracy is just “business as usual.”

# The Neoliberal "Self-Protective" Anti-Science Propaganda Process

(often utilizing the same players & resources...funded by the same individual & corporate stakeholders)



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# Managing Complexity with Constructive Integralism

By T.Collins Logan

Imagine you are attending an Absolute Efficacy Conference several hundred thousand years in the future. Also attending are representatives from every sentient race in the known galaxies, with the straightforward goal of determining which forms of consciousness should continue to be supported by the dwindling resources of those galaxies. There are millions of different species represented there – some directly and some by proxy, mainly due to the inability of some the more ancient species to focus their consciousness on such a trivial event – and among those present are *homo sapiens*. Our species had eventually expanded beyond its original solar system, and from there we bioengineered our way into a surprisingly long-running functional niche in the transgalactic energy exchange system. Some species consider us to be no more than irritating parasites, remnants of earlier altitudes of development that have wormed our way into a semi-useful symbiosis with more established species. Others advocate for leniency, since humans still seem to have more potential, and perhaps just require a few more millennia to catch up. But, most notably, the human representatives at the Conference are themselves divided over whether humanity should be afforded additional opportunities to demonstrate their viability. After all, even after millions of light years of expansion, countless advances in knowledge and collective wisdom, and effortless mastery of spacetime itself, we humans still sometimes behaved like wanton apes, either stirring up needless drama, or diluting our overarching sense of purpose until we cease to thrive.

In their advanced wisdom, the beings of this future time are careful not to close any developmental door too permanently, so that even “truncated” species are still provided a limited existence. It has always been a question of whether certain species should be allowed integration with the galactic energy exchange system, or whether they should be quarantined until some future epoch when their contribution can be reassessed. After all, signatories of the Transgalactic Diversity Agreement grokked the profound importance of preserving “additional trajectories;” options for future generations. After one devastating quantum infection, only the thought field of an extremely rare interstitial energy form provided reliable immunity to the spreading disease; that species, formerly confined by decree to the gravity wells of a half dozen migrating brown dwarfs, had since been integrated into nearly everyone’s transport drives. But the current choice before humanity was stark: to be reduced to an almost pre-Earth population and relegated to a cooling solar system with subsistence level resources, or be allowed continued expansion, exchange and engagement within the burgeoning collective of Universal souls. Could we contribute anything to the grand migrations of multispecial consciousness, or would we be regressive freeloaders, stuck in our simian habits of mind?

I have offered this scenario not as preamble to a romantic space opera that pits humanity against a galactic status quo, but as a means of framing the central assumptions and questions of this essay. For one, how could we ever believe that human consciousness is equipped to

grasp the purpose of the Universe, or a tiny fraction of the functions of forms of matter and consciousness contained within it? Such hubris is surely no different than the mistaken belief that the Sun revolved around the Earth. For another, how could we ever project our experience of consciousness – our perception-cognition of a broad spectrum of states that are distinctly human – onto the world around us? That is really no different than a child's certainty that there is a monster in the closet. That isn't to negate any implicit connections between the nature of reality and the nature of mind – for it makes perfect sense to me that some relationship must exist between the two, as reinforced by the accounts of others and through my own experience of unitive, transpersonal conditions. But no matter how complete and persuasive such a subjective sense may be, it does not authorize scalability beyond the operation of my own species – or even beyond the operation of my own mind, despite similar reports from others. So, at a minimum, we should avoid the conclusion that our hypotheses about consciousness apply to anyone but our own species, as anthropocentric projections inevitably lead to unskilled interactions with our environment.

Further, I think we should be cautious about grand attributions to the processes of consciousness itself. Oh, I realize that is precisely what this essay – and much of my other writing – tends to promote. But if we are to be honest with ourselves, we must admit the possibility that “consciousness” is merely a side effect of evolutionary fitness; that is, what we experience as self-directed awareness may be more of a reflexive rationalization, an unconsciously driven justification for our DNA's imperative to replicate. And so we seed the garden of our intellect with mysteries, special perceptions and rigorous disciplines, then label them “insightful” or “rational” or “transpersonal” or “postformal,” when really, as facets of Chalmer's “hard problem,” we may simply be transfixed by shiny, ego-reinforcing illusions. Even our proof of the pudding – the compassionate response to all beings that can arise from immersion in what many consider advanced stages and states of consciousness – could result mainly from prosocial programming encoded in our genes, as reinforced by cultural memes that stretch back millennia to further promote our species' survival. All of this, everything we value and esteem as consciousness, could merely be insulation from the existential isolation of every organism, and the fundamental emptiness of our collectively held constructs. Consciousness can provide a portal into profound insights, to be sure, but that profundity is hopelessly self-referential, so that our awe-filled apprehension becomes little more than a warm, comforting blanket for a terrified child. Or at least this *might* be the case.

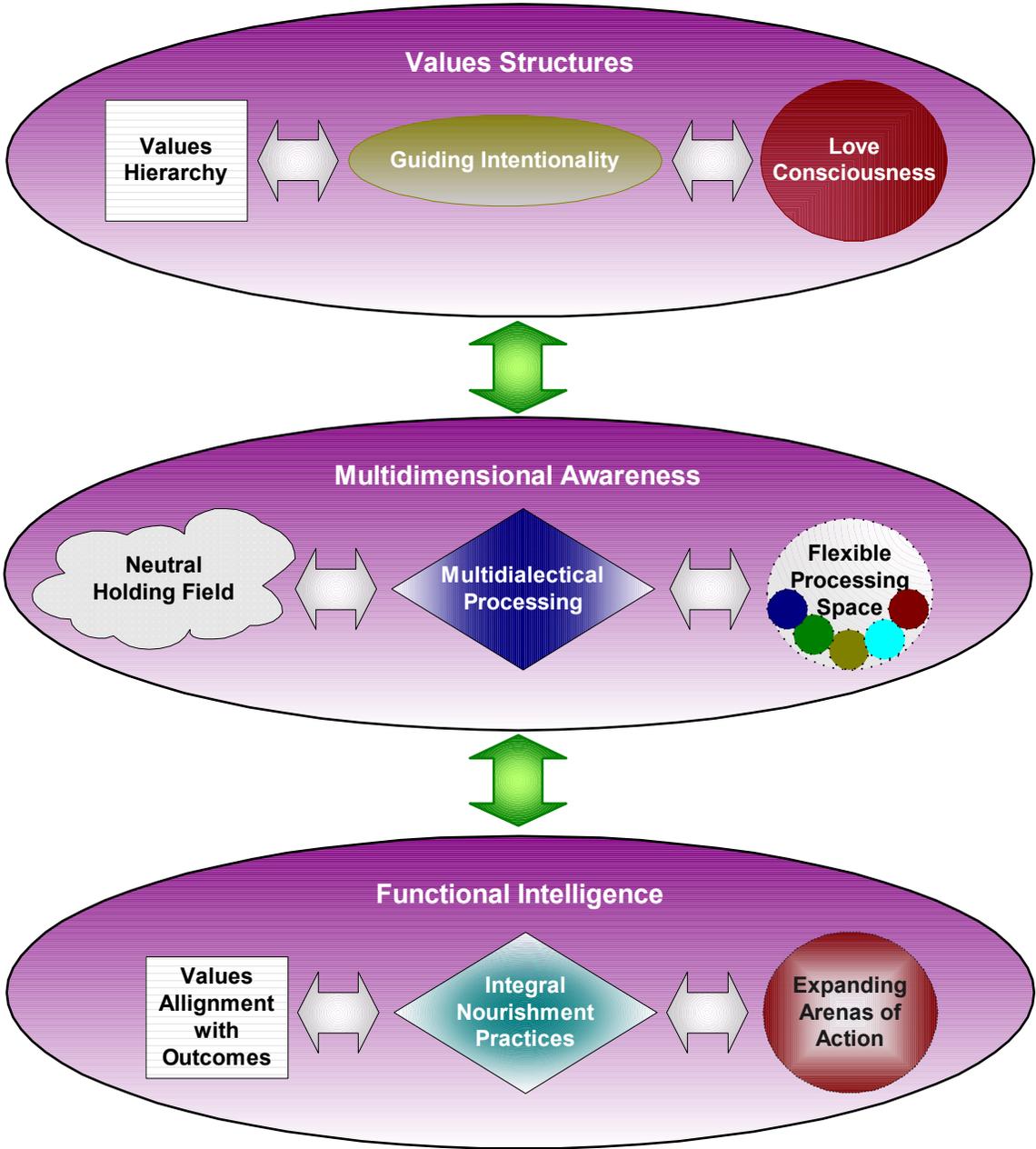
With these caveats, then, I would like to propose a few ideas that, in our species' long and venerated tradition of observation, speculation, deliberation and conclusion, have often been treated as philosophical – or even metaphysical - in nature. Specifically, I want to define what I believe to be the most constructive form of integralism, and how this *constructive integralism* can understand and manage complexity. Why? Because the current phase of human development is confronted with questions of immense importance, both regarding our own survival as a species, our impact on Earth's natural systems, and indeed our relevance in the Universe – and all of these questions seem to relate to how we understand and manage complexity. Not only are we (at long last) becoming aware of the massive and continuously abstracting web of interdependencies all around us, but as a species we are

increasingly injecting more and more influential variables into those systems. And the more we resist integralism – the more we ignore the dynamic interplay of such complex systems, their inherent unity, and the continually emerging matrix of contributing phenomena involved – the more reckless and potentially destructive our contributions will become. By the nature of our own enduring ignorance and increasing power, humanity requires a more prudent approach to predicting and achieving desired outcomes while curtailing unintended consequences. Thus the need for the most “constructive” integralism possible. Rather than, say, a cool new cross-paradigmatic field that offers us highly sophisticated methods of integration – or an eloquent map that quantifies the descriptors, connections and territory of complex systems – we need rich, deep, broadly multidimensional, *practical wisdom and discernment* on how to best navigate complexity. At least that is my proposition.

So...how do we get there? First, to effectively understand and manage complexity, I believe we must openly embrace it. As much as we might yearn to reduce all experience to simplified principles, descriptions and rules, those principles, descriptions and rules cannot encompass the Infinite. There will always be unexpected variation, uncertainty, ambiguity, unanticipated externalities and continual change, and emergent complexity is always greater than the sum of its parts. We can observe throughout the brief flame of human history that humanity’s knowledge has been perpetually incomplete, our comprehension limited, our insights contextual, our wisdom temporary. And this seems even more true for the individual in isolation from the whole, which is increasingly the modus operandi of both elite and average populations in many industrialized societies. Too often the intensity of our exposure to complexity – those moments of overwhelming awe and disorientation – can alienate us from holding myriad relationships simultaneously in our awareness. And yet this is what we must learn to do; we can no longer rely upon specialized knowledge, selective blindness, arbitrary prioritization or irrational beliefs to simplify our experience. Further, an increase in multidimensional processing will require that we access and integrate different processing spaces within ourselves as well. To embrace complexity, our consciousness must concurrently entertain multiple disciplines and dimensions without and within.

There is a lot involved in this process. In order for any integrative awareness to function constructively, I believe it must be guided by an advanced values hierarchy, which in turn is intimately linked to a guiding intentionality that fully embodies that values hierarchy. This is a critical piece, and will define the quality of our efforts at least as much how an integrative engine itself is constructed and actualized; our values and governing intentions are the fuel for that engine. And, finally, we will require a way of understanding how to operationalize and assess our values hierarchy and multidimensional awareness through being and action; we require some handles for guiding the manifestation of our intentions, and predicting and measuring the quality of our outcomes. It seems like a diagram would be helpful here, just to understand some of these relationships, so I’ve included one below. Then we’ll take a crack at defining each element of this model in more detail.

# Constructive Integralism



## Embracing Complexity through Multidimensional Awareness

Embracing complexity is demanding, multifaceted process, and it isn't a natural reaction when confronted with large volumes of seemingly contradictory information. As one example, consider the complexity of love. So essential to the human experience, so universal, and yet impossible to definitively encapsulate or reduce. I love my dog. I love moonlight. I love my wife. I love myself. I love ethnic food. I love humanity. I love the Earth. I love music. I love solitude. I love companionship. I love love. Each of these loves is a unique experience, as multifaceted as the objects of affection, and wholly different for every individual – or even for the same individual over time. But sometimes they do seem to be part of the same spectrum of emotion, as variations on a theme. What better example could there be of “a state or quality of having intricately related parts, for which the degree and nature of the relationship is incompletely understood?” Love is complex.



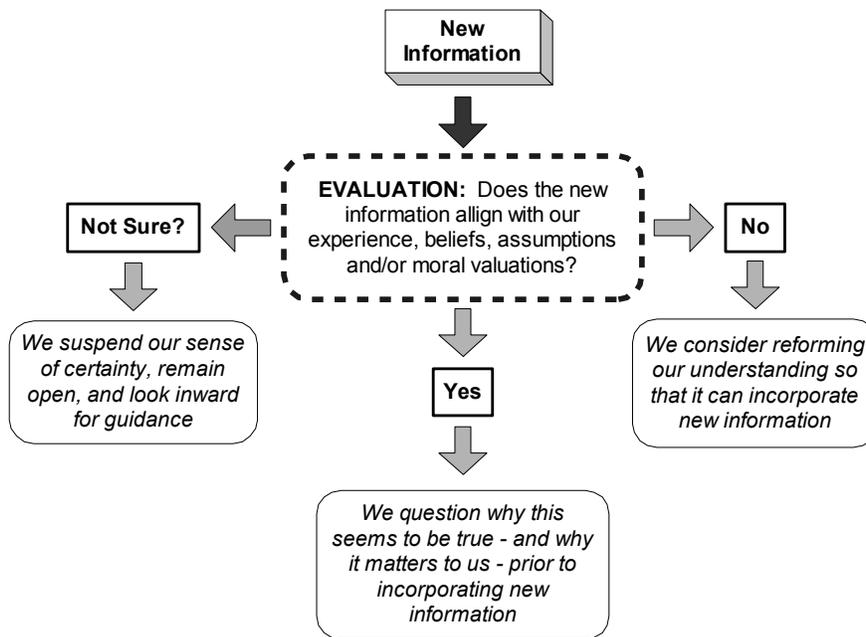
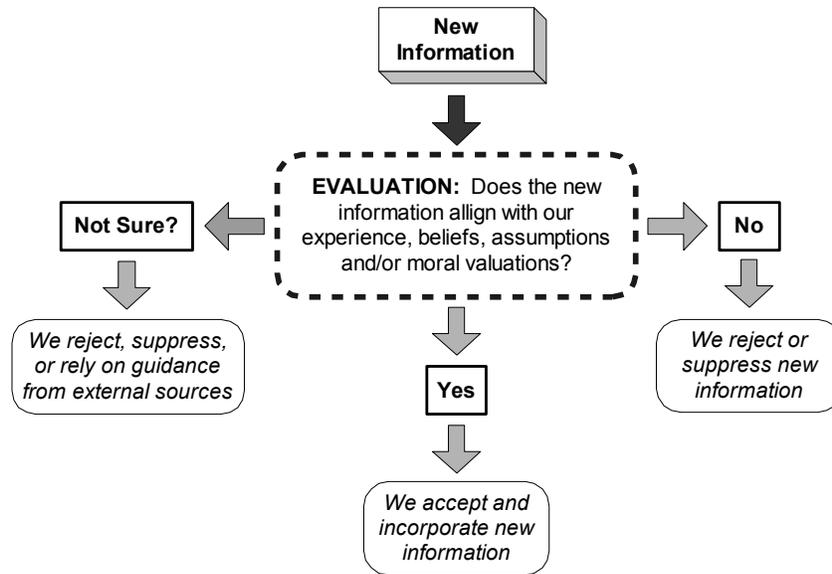
And yet the urge to simplify is ever-present, just as the *agape* graphic above illustrates. We simplify to facilitate communication, so we may be understood by the largest number, often via lowest common denominator. We simplify to capitulate, so complexity does not alienate us from ourselves or others. We simplify to market, appeal, cajole and evangelize, because complexity presents a natural barrier to persuasion. We simplify because we must use words and syntax, which are inevitably incomplete in how they convey meaning. We simplify because it's easy, and complexity is hard. We simplify out of desperation, to bridge intersubjective realms of being, because otherwise we would feel alone. But we simplify at the expense of the only “real” handle we have on our experiences, the only hard and fast truth we can estimate with any certainty: that those experiences are confoundingly complicated. We say “I love you” because it implies a certain inexpressible condition that we hope will be positively interpreted. But what are we really saying? Perhaps we are saying “there is a condition, an infinitely complex and nuanced felt reality, that I sometimes experience intensely, and sometimes only intuit exists within me. I offer a symbol of that

condition to you now, in the spirit of sharing and openness, in hopes that you might benefit in some intangible way, and perhaps taste just a smidgeon of this felt reality yourself....” And yet, despite the unlimited varieties and scopes of love, we will accept what is offered, and even reciprocate in kind, because of a fundamental desire to connect with our fellow humans. And so we simplify an abstract complexity into one word, fervently gripping the tiniest fraction of the whole so that we might escape the overwhelming vastness of the unknowable, even as we try to honor it.

Such an urge to simplify is of course pragmatic. Reduced symbolic representations of complexity permit us to exchange, synergize and synthesize. But the instant we forget that the symbolism is a shallow façade for the underlying mystery, we can become distracted from the process of exploring and integrating more subtle realities. We can begin to neglect one or more dimensions of being in our practice, and become blinded by the world of form – or the world of discrete ideas – so that we can’t see the forest for the trees. And, consequently, we may cripple our perceptions, the flexibility of our understanding, and the efficacy of our wisdom. In a race to recover a perception of balance, we may even simplify further and further, compelled to take charge of the realm of symbols so that we can avoid or deny the depths of powerful, truly harmonizing, non-symbolic insight. Thus we push ourselves into disharmony, until we are experts in symbols, but incompetent at what the symbols represent. And unless we let go of this compulsive spiral of reduction and specialization, we will, I strongly suspect, become miserable captives of our own willfulness.

So to master the practice of embracing complexity, we should learn how to do several things simultaneously. For example, we would want to train our perception-cognition into the most open-minded and discerning patterns of interpretation and response, then provide lots of room for many different modes of interior processing (while perfecting our ability to switch between them). Then we would want to cultivate a neutral holding field to contain all of these elements, so that we can invite disparate input streams, even those that contradict each other, to inhabit our consciousness and peacefully coexist. In these ways we can begin to develop a habit of *multidimensional awareness*. Does this sound like a daunting task, or perhaps an impractical one? Actually, I would insist the gift of consciousness is already wired to accomplish exactly this feat, and much more easily than we might imagine. In fact, all that we require to sustain such multidimensional awareness is to let go of more constrictive and inhibited habits of a symbolizing mind.

To illustrate, take a gander at two contrasting modes of evaluation in the diagrams below, noticing the factors that would constrict the flow of an increasingly integrative understanding, and the factors that would best facilitate that understanding.



What is the primary difference between these two modes of assessment and integration? In the first, we conform to what has been defined for us by various consciously accepted external authorities and unconscious cultural programming, suppressing or rejecting any new information that doesn't fit neatly within our adopted worldview. In the second, we remain more emotionally and intellectually open to new information, continually questioning and evolving perspectives that source more from our own interiority, and rely less on enculturation or societal power structures. And of course this isn't a purely intellectual process – it is more a harmonized state of mind, heart and physical well-being that is resilient

enough to simultaneously entertain doubt, courage, uncertainty and curiosity in the same processing space. And so this simultaneity hints at an even deeper principle for this mode of being: the cultivation of a *neutral holding field*.

In the past I have described the cultivation of a neutral holding field as a mystical process called *the art of suspension*. As I wrote in *The Vital Mystic*:

“This is a potent kind of watchfulness, because no one idea or experience is allowed to dominate, and competing convictions, emotions, and tendencies of will can be held simultaneously without anxiety or drama. There is no sense of conclusion, because we remove ourselves from direct contact with all these simultaneous considerations. We can calmly harness ourselves in a web of *seeming* incongruity and overwhelming information, and still be at peace. In fact, from this suspended state, we will often discover surprising interconnectedness. We see patterns which unify, which show us how diverging ideas or evidences are not as mutually exclusive as they once appeared – for there is almost always interaction and overlap between all forces and fixed points, no matter how far apart they at first appear to be. We discern new relationships, harmonies and coalescences, and when we cannot immediately reconcile one observation with another, the uncertainty does not disturb us...

...The art of suspension thus welcomes us into this space of all-encompassing neutrality, conditioning our mind for a mystical process whereby everything can be definite, but nothing certain.”

Those familiar with my work will recognize the art of suspension as a component of what I call “mystical” perception-cognition. For those skeptical of anything smacking of esotericism, I would encourage you to enlist the second mode of information evaluation illustrated above, and just substitute whatever belief-neutral labels work for you, so that you can incorporate the very useful functionality of a neutral holding field into your cognitive toolbox. At the opposite end of the belief continuum, some might also see parallels with the approaches established by certain wisdom traditions (Buddhism and Taoism in particular), and that’s fine too. It doesn’t really matter what label we place on this idea...it’s just one of many practices necessary to perfect multidimensional awareness.

But what populates this neutral holding field? What constitute viable input streams for the most constructive, summative and actionable observations? Well that brings us neatly to the concept of *flexible processing space*. This is also a pretty simple idea, and one that I believe is already hardwired into our DNA, if we can just *allow* it to be expressed in our consciousness. And allowing flexible processing space of course requires a further letting go of cultural programming, ego barriers, unresolved fixations and so forth, so healing the psyche will always be an important cofactor to multidimensional awareness. Let me just say that a little louder if I may: we must heal ourselves across many levels in order to grow and refine our consciousness in requisite ways, because the structures within us that best support a multidimensional approach are the same ones that support a whole, harmonized self. My somatic self, my rational self, my emotional self, my social self, my historical (semantic) self and its resultant self-concept, my sexual self, my ground-of-being self, my transpersonal self,

my purposed self...my integral self. Flexible processing space just one more of these dimensions of self; it's where we exercise a fluid shifting from one type of interior processing to another, and ultimately where we strengthen each input stream so that it has something substantive to offer the neutral holding field we provide.

What follows is an excerpt of how I describe flexible processing space in *True Love*. This description is a tad lengthy, but the concept requires some detailed exposition to flesh out. Once again, for those skeptical of "spiritual" dimensions of self, feel free to substitute whatever wording works for you, and focus on the definitions of each processing space.

First let's explore what is meant by processing space. There are many more than the five outlined below, and each of them overlaps and interacts with all the others in whole or part, creating a complex matrix of nuanced processing capacity in every person. But for the sake of simplifying and understanding types of processing space in a usable way, they have been narrowed down here to what happens mainly within our head, heart, body, spirit and soul. Each of these engages a unique form of perception-cognition native to our being, each one necessary to interpret and process various aspects of the world around us. Over time, we naturally tend to gravitate towards the processing spaces with which we are most comfortable, or which we believe have helped us the most during the course of our life, and use them as our primary mode of interaction within each dimension of nourishment. Each processing space also operates at a specific, subjective rate of time. That is, time runs faster or slower for us when we are functioning in a particular processing space. So what we are really talking about here is unique spacetime of perception-cognition.

**Mental Spacetime.** This is future-oriented, fast-paced analytical processing. Here we are focused on effective action or reaction to immediate circumstances, using our analytical abilities to make what we interpret to be rational, sensible choices. Most of us don't need to consciously practice this or incorporate it into our daily experience, since we are constantly pressured by externals to operate in this mode. We plan our week out in a day-timer; we focus on the next task to accomplish; we engage in animated discussion about some topic of interest; we quickly rationalize our choices so that our actions are justifiable; we absorb the evening news and pass judgment on the world. In Western culture, much of our daily routine occurs in mental spacetime. And since mental spacetime is highly valued in Western society – that is, to make quick decisions, communicate clear goals, have decisive reactions, be competitive with others operating in this mode, and so forth – Westerners tend to dedicate much more of themselves to this processing space than is necessary or beneficial to their well-being. When we neglect to consciously shift into other modes of interior processing, we inevitably disconnect from a wellspring of alternative insight and nourishing function within ourselves, as well as from the healing, growth and transformation that is available through our other manifestations of being. In fact, we disconnect from some of the critical substance of our own humanity. In terms of exchange, this mode allows us to connect with others on mainly verbal, symbolic and intellectual levels.

**Emotional Spacetime.** This is past, present and future-oriented and generally slower-paced emotional processing. Here we feel our way through situations, knowing intuitively that we can't rush certain experiences or decisions. When we heal from grief and loss, for example, much of that healing occurs in emotional spacetime. When we fall deeply in love, our affection develops within this processing space. And where in mental spacetime it may

be easy to dismiss a hunch or intuition as superstitious silliness, emotional spacetime accepts the importance of such input, feeling its way through the moment. This processing often happens unconsciously. But paying conscious attention to this spacetime both honors the intuitive component of self and integrates felt experiences into our being. If we ignore or suppress it, heart-based processing can become arrested or confused, and an important input stream to our wisdom and discernment will be crippled. Examples of consciously entering emotional spacetime include the gratitude meditation in the next section; praying from the heart; journaling about intensely personal or emotional issues; attentively feeling the music to which we are listening; free-flowing creative expression; replaying significant memories from childhood; daydreaming; certain guided meditations; falling in love; or dwelling the felt experience of the current moment. When people share love, laughter, tears, anger, joy or other strong emotion with each other, they are connecting in emotional spacetime.

**Somatic Spacetime.** This can be either very slow-paced somatic processing, or fast-paced reflexive responses; in both cases, however, somatic spacetime is usually oriented to the past or present. On the slower side, when stress or trauma occurs in our lives, somatic memories are created that we carry with us for years. Processing those memories – bringing them into conscious awareness – is one reason why accessing somatic spacetime is important. Another is that our body has intelligence, wisdom and guidance for us should we choose to listen to it. If we don't listen, our body's efforts to engage our attention may become more and more extreme, until serious illness or other chronic conditions develop. On the faster side, our bodies can react very quickly to threats, attractions, the perceived body language of others and so forth – more quickly than we could ever consciously react. So shifting into our body's processing space can rapidly accelerate our awareness, or slow it down to the speed of breaths and heartbeats. Shifting into somatic spacetime can occur during therapeutic bodywork, certain types of yoga, in body-centered psychotherapy, during physical listening meditations, when trying to identify an emotive locus in our body, when we invite the palpable presentation of intuitive promptings, during physical intimacy, while practicing martial arts, or any time we are completely absorbed in physical activity. We can connect in somatic spacetime with others through things like playing sports, having sex, giving or receiving body-centered therapy, or sharing other intensely physical experiences.

**Spiritual Spacetime.** This is time-space suspended spiritual processing, meaning that it has no anchor in sequential time, moves independently of most concrete or tangible reference points, and is a sort of spiritual intuition. I like to call it *gnostic* processing. Sometimes entering spiritual spacetime seems like complete stillness without even the possibility of movement, and at other times processing in this spacetime seems faster than light, spanning incredible distances in an instantaneous leap. Many schools of meditation and interior spiritual discipline encourage access to this space, but it can be experienced spontaneously during prayer, as a natural component of wonder and awe, as an ineffable *aha* when peak experiences occur in other processing modes, during the course of a dream, during intense moments of pleasure or pain and so on. Exchanges in this processing space can occur during group mediation and prayer; during shared experiences of intense intimacy or intense crisis; or in the sudden, unexpected recognition of a kindred spirit.

**Soul Spacetime.** This could be described as the eternal present, an arena of spacetime that is entirely free of processing – it just is. This becomes an important concept in certain spiritual disciplines, in particular the advanced mystical practices that cultivate immersion in a kind of non-awareness or non-being that harmonizes with the Absolute. At the center of

this processing space is a completely transparent connection, exchange and merging – with the essence of the Self and the essence of the Universe, with the All, the Transcendent Reality, the ground of being.

In one way, all spacetimes are simply modes of interior processing that are always present and available to us. We interpret our experiences unconsciously through an internal nexus where all of these modes coincide. We can, of course, suppress or interrupt this natural synthesis. Things like stress, obsessive thought or behavior, incomplete or indulgent nourishment in one or more dimensions, the consumption of mood or mind altering substances on a regular basis – all of this can interfere with the natural rhythms in each processing center and their combined synergistic power. Likewise, when we begin cultivating each mode of perception-cognition as a distinct, conscious experience, major shifts will occur that increase potential synthesis, stimulating processing on many levels at once. Through practice we can consciously integrate all of these modes into an input stream that informs our wisdom and discernment, especially in ways that nurture all essential dimensions of being at the same time, so that our efforts are not only healing and skillful, but transformative. So, at a minimum, it is extremely helpful to develop specific awareness in each spacetime mode so that we can live more effective and fulfilling lives. Once this is accomplished, we can shift between each spacetime with increasing ease, flexibly engaging any situation from multiple perspectives. This flexibility becomes a powerful ally in our efforts to nurture ourselves and express compassionate affection through every thought and action. To master each mode of perception-cognition and access them on-the-fly in any situation allows us to love more truly and effectively.

The consequence of flexible processing space and the neutral holding field is something I call *multidialectical processing*. Simply put, this is our ability to incorporate multiple vectors of information into vigorous, simultaneous dialectic with each other, drawing on both rational and nonrational methods of evaluation. It bears repeating that multidialectical processing *holds rational and nonrational methods in ongoing dialectic with each other*, and this is what differentiates it from traditional dialectic synthesis. As each concept, condition, structure or force asserts itself, it is given ample room to ferment and mature, until it can offer some cogent counterpoint to other input streams. Nothing is suppressed, and nothing is exalted; everything has an opportunity to contribute, even if this results in multiple tensions and contradictions. And, as we move gently forward, we continue to maintain those dialectic tensions as we develop discernment and wisdom regarding our intentions and choices, as well as how we assess the results of our actions. This does not mean, however, that hierarchies aren't created, or that input streams aren't subjugated to a set of intrinsic values – we will get to this winnowing process in a bit. So synergies include analytical proofs, felt realities, abstract ineffables, and intuited confidences discerned through the five spacetimes of perception-cognition described above. Eventually other, as yet undefined input streams will be included as well. Often, all of these will compete for dominance or exclusive veracity, like a group of rowdy adolescents clamoring for attention. But all of their voices can and should be heard, as equals contributing to a virtual consensus.

On a purely analytical level, we can find rough equivalencies to multidialectical processing in the techniques of critical thinking, scientific inquiry, Hegelian dialectics, cognitive behavioral therapy and other disciplines. Once again, though, this is not a strictly analytical process...it incorporates a multidimensional mode of being where analytical mind is just one component, made equal to all others (and sometimes subordinate to all others). Beyond postformal or transrational thinking, beyond metacognition, beyond cross-paradigmatic conceptions, here we find felt sense, non-symbolic insights, intuitions, yearnings, *gnosis*, sudden *ahas* and all manner of other impulses and information streams converging into a dynamic synthesis. We are, in essence, learning how to harness all of these convergent energies, without prejudice or exclusion, toward an emergent end. In time, we will organize our synthesis within a values hierarchy that originates in the neutral holding field itself; that is one of the intriguing ironies of this process, because what begins in neutrality does result in a clarity of priorities and choices. And, once we understand how all of these input streams relate to our values, we can begin skillfully actualizing some of our conclusions.

So this is an essential component of constructive integralism: that, despite a persisting neutrality, ambiguity and uncertainty, there will indeed be dynamically nested priorities, subordinations and interdependencies within our thought field, even though these may continually reorganize as new information and input streams are integrated. Thus the larger the field – the more comprehensive and inclusive our neutrally energized space – the more multifaceted that order will become, even as certain overarching principles clearly evidence themselves. In fact, fundamental components of previous systems of thought (and previous values hierarchies) may be discarded or disempowered entirely; for example, those that emphasize oppressive power dynamics between aspects of self (for example: that rational is superior to nonrational), or that enable oppressive power dynamics in social relations. In contrast to some integral thinkers who insist that higher order thought fields will always contain and benefit lower order ones – or that more advanced hierarchies will transcend and include earlier ones – I would say that, although some primitive memes may persist into higher altitude systems and expressions in subtle ways, for the most part the counterproductive ones will collapse into vestigial isolation. They will, of necessity, be boundarized and de-energized, so they can't disrupt or destroy superordinate, more unitive expressions. In other words, sometimes the final synthesis is subtractive rather than additive. It is important to note, however, that this process is not a repression or denial, but a refocusing of energies on the most constructive, values-compliant patterns and impulses, so that antagonistic ones will coincidentally attenuate. But all of this is about to become clearer.

As one basic illustration of what I'm suggesting, consider the following chart of emotional states. Drawing from psychotherapeutic conventions, research in the social sciences, various wisdom traditions and my own experiences, I propose that some emotional states are rarely if ever beneficial, while others are consistently beneficial; that is, some are "healthy" (prosocial, reinforcing individual and inclusive fitness of the species), and some are "unhealthy" (antisocial, reinforcing a lack of individual or inclusive fitness). And although we can draw upon research in neuroscience, anthropology, evolutionary biology, psychology and so on to validate the prosocial benefits of "healthy" states (see E.O. Wilson, Grit Hein, Scott Huettel,

Joan Silk, Marc Hauser, Robert Boyd & Peter Richerson, Nancy Eisenberg & Richard Fabes, etc.), we likely won't intuitively grasp those benefits or be able to fluidly navigate them until we achieve higher altitudes of moral development – and we will explore this idea further in a moment. We also can't forcefully impose such states on ourselves or others – which would likely result in cognitive dissonance, pushback or decompensation anyway – but we can aspire to model behaviors, relations, language and civic institutions built upon the most constructive patterns of being that we *do* intuitively understand.

Healthy Emotional State	Unhealthy Emotional State
Courage to defend the well-being of Self and others, with patience and forbearance	Indignant, self-righteous rage, which is easily provoked and unconcerned about the damage it inflicts
Compassionate desire to nourish others with wisdom and kindness, while at the same time sustaining our own well-being	Compulsive need to rescue others without considering our own well-being or what is truly best for those being “rescued”
Love that has no conditions or expectations attached to it, and that patiently accepts another’s shortcomings	A desire to control disguised as attention and devotion, but which impatiently demands specific reciprocation
Self-controlled ordering of effort according to what supports our values system	Impulsive submission to every urgent or self-indulgent whim without a thought for what is important
Patience for, and an attempt to understand, those who oppose or antagonize us	Fear, paranoia and hatred of things we do not understand
Gratitude and forgiveness	Resentment and divisiveness
Acceptance and flexibility with whatever comes our way	Resistance to change and panic when things seem out of control
Honesty and openness	Avoidance, denial and deception
Peaceful and supportive internal dialogues	Chaotic and demeaning internal dialogues
Admiration and encouragement	Jealousy and criticism
Contentment in any situation, rich or poor, because our focus is on the quality of our relationships, operationalizing values and deepening our wisdom	Greed and avarice: a compelling desire to possess material power and wealth
Guilt and shame, which resolves into humility and a renewed commitment to growth and maturity	Perpetual, unresolved guilt and shame, which injures self-esteem and cripples any ability to change
Vulnerable and joyful sharing of sexual intimacy in the context of socially responsible, mutually considered relationships	Wanton lust: an immersion in carnality without considering emotional, interpersonal or societal consequences
Mutual inspiration to greater achievement through fair-spirited competition and/or cooperation	Egotistical competitiveness, which craves victory at any cost
Confidence with humility	Self-aggrandizing arrogance
Taking pleasure in the success of others	Taking pleasure in the suffering of others
Hope and faith in positive outcomes	Despair and pessimism: presuming doom

Do these proposed dynamics make sense? That there are constructive, positively reinforcing, socially cohesive, emotionally productive patterns of being, and patterns that are antagonistic to individual and collective wellness? I have encountered arguments from those who insist that every situation defines the benefit of its emotional content, and that there are no

absolute standards of beneficial intention or response. That makes for great rhetoric, but, as already alluded to, there is just too much research to support the positive physiological, psychological and social impacts of certain patterns of emotion – as well as the constructive behavior those patterns evoke – and the negative impacts of their seeming opposites. This is how we can define opposing pairs of operation.

Now, before delving further into the abstract, let's take a break and bring this discussion down to Earth, into a specific arena of intention and action: the rule of law. Returning to the idea of love, if I immerse myself in love, if I plumb the depths of its mystery and remain open to its unfolding complexity, why would I ever require rules to define how I should love myself or others? Why would I ever need instruction or guidelines at all about how to exercise affectionate and effective compassion? And if everyone in my community and society is intent on expanding their relationship with complexity and unleashing the magnificent magic of skillful kindness, why would they need to be corralled in any way? As long as we are all operating in harmony with an ever-evolving vastness of compassionate being, committed to honoring the ineffable unity of loving kindness in all its myriad manifestations, why would we require any governance at all...?

The answer is...simple. That is, the answer is once again our tendency toward simplicity. The individual who is not healed, whose capacity is limited, who is not disciplined or diligent, and who consequently rejects complexity in favor of simplicity, will operate by the letter of the law rather than the spirit of the law, because they are immersed in a rigidly symbolic landscape. What few glimpses they have of mystery will be cast aside in favor of the accessibly reductionist concrete. Legalism prevails in their conception because the more vast, subtle and inexplicable ideal is lost to them. Do I believe that all conscious beings have the potential to embrace multifaceted, nuanced complexity? Yes, I do. Yet, although the potential is present in all consciousness, it is not yet fully realized...and until it is fully realized, we do require the rule of law. The symbols that order all of existence into neat little rows, that reduce the Infinite into tidy boxes with highly specific locations and abbreviated memes, are necessary for now in many instances. Such order is of course artificial, and perhaps even seems silly to someone comfortable with advanced complexity and steeped in love-consciousness, but for a probable majority of humanity this order generates a sense of safety, a manufactured equilibrium that permits the tenuous aspirant to venture out of their symbolic shell, so they may encounter complexity in comfortable, bite-sized experiments. Then they can decide to venture forth from simplicity a little more. And, as they gain courage, perhaps a little more after that...just as long as they can feel safe doing so.

I remember once, when I was ten or eleven, a friend and I were out on a wintry Massachusetts morning climbing frozen trees. At some point, his mother appeared and launched into hysterical shouts that my friend *get down out of that tree immediately*. He could fall, she yelled. He could break a limb. He could die. I received reproachful looks, being the obvious inciter of what she clearly thought was a misadventure. I have reflected on that day many times over the intervening years, mainly because I could not fully appreciate

her reaction. My friend's mother seemed so afraid for him. Was that really love, to be so protective and fearful? Why not let him explore, why not let him climb to the heights and experience the amazing exhilaration of accomplishment? Why assume the worst would happen, rather than the best? But eventually I came to understand her reaction a bit better: simply put, she knew her son better than I did. I assumed that he already appreciated the inherent risks of Nature. But she knew that he did not. I had grown up around forests, but my friend had lived in city apartments all his life. My circumstances had demanded I become fairly independent and self-sufficient at age five, but he had been prone to frequent illness as a child, and was still very dependent on his mother. He was also physically weak in ways I could not appreciate. Because I did not comprehend the differences in his conditions and experiences from my own – the variables that made the dangers of his tree climbing much greater in that moment – I inadvertently enabled a potentially self-destructive impulse in my friend. I was operating not from love, or from a faith in his potential, but from a myopic projection of my own values and experience. I assumed my friend's knowledge and capacities were equivalent to my own, and I was wrong.

And thus we arrive at the participatory component to multidimensional awareness. This is such an important aspect of any multidimensional process – and so thoroughly imbedded – that it is often overlooked. But we really do need each other to complete the circle. We require the sounding board of a friend; the reflection of our thoughts, emotions and experiences in the hearts of our loved ones; the amplifications of group experience; the synergies of honest intellectual debate; and occasionally “the wisdom of the crowds.” Consequently, we need open environments for the exchange of ideas, data, knowledge, opinions and worldviews, and to allow the propagation of new memes throughout our collectives. For one of the hallmarks of appreciating compounded complexity is accepting all our differences without prejudice, and valuing the diversity of human experience because it is part of that complexity. And so – just as we promoted within our neutral holding field – everyone has to have a voice...everyone has to be able to participate. At the same time, the key is still to encourage an ever-increasing altitude of moral sensibilities across all perspectives, and to accept that there will be some necessary constraints on the morally immature.

Returning to the real world, accepting a standardized rule of law also becomes easier in this context. Why? Because, over time, a truly democratized process inevitably finds the Goldilocks zone between what is too restrictive and what is too lax; it incorporates the full spectrum of human experience and capacity as it evolves. It also incorporates changes in social mores, conceptions of freedom and civic responsibility, and other societal structures. It allows for the flexibility inherent to complexity. Yet the enduring challenge seems to be one of scope. How can any rule of law be entirely and equitably inclusive? How can it ever adapt to the infinite complexity of a global society? How can a rigid code adapt to dynamic emergence? Eventually, I suspect that, for just these reasons, the letter of the law will fade away and only its spirit will remain. This is the essence of our maturation process. As humanity relinquishes its craving for simplicity and develops the capacities and tools to embrace complexity without fear, the rule of law will be able to relax. For now,

however, those capacities and tools are not yet collectively shared. As a culture, too many still cling to reductionist views of the world for succor, painting emotionally compelling, black-and-white pictures of subjective distortions that are woefully reinforced by inflexible ideologies. Political polarization and religious fundamentalism are just a symptoms of this resistance to a more nuanced, subtle and complex apprehension of the human condition. We resist letting go of legalistic comforts because we are afraid. But, eventually, if we persist in encouraging each other to venture forth from our symbolic shells, I believe that fear will ebb, and, as we are guided by authentic love, we will all be truly free. At that point...and only at that point...will a thoroughly egalitarian participation in democracy take root, and oppressive class structures will vanish along with the rule of law – both will be perceived as illusions that are no longer required.

Thus our current experiments with democracy could – if they were truly unfettered from the persuasions and distortions of egoic delusion – provide a collective mirror for the neutral holding field, flexible processing space, multidialectical processing and multidimensional awareness cultivated in individual and participatory consciousness. This is less a metaphoric relationship, and more of a literal correlation. But the mistake sometimes made by those who have glimpsed a more unitive future for human society is the imposition of that vision on the current status quo, perpetrating a sort of “integral overlay” that still relies on contemporary structures and systems. But this is like trying to create a sophisticated representation of quantum mechanics with pebbles and sticks. I do hope that humanity can aspire to higher orders of collective function, but we cannot do so with the reptilian brain dominating so many of our civic institutions, economic systems and prevailing ideologies as it does today. Our evolution will require the sloughing off of some vestigial structures, not just sublimation of those structures via some integralizing slight-of-hand. To restate again: multidialectical processing inevitably involves subtractive synthesis as well as additive synthesis.

This all reminds me of something a friend of mine said after we watched Ridley Scott’s *Prometheus* film: “It’s kind of depressing to think our progenitors – such an ancient and experienced race as they are portrayed to be in this film – were still subject to the same petty, spiteful, self-destructive impulses we consider to be the worst in ourselves today...” Yeah. And this is really a central issue regarding humanity’s ongoing evolution: we will need to enhance, expand and cement our most prosocial tendencies to ensure our continued presence in the Universe, whether or not our species is assessed by an Absolute Efficacy Conference of alien intelligences or not. Integrating our Shadow self, sublimating our reptilian instincts, or moderating self-destructive patterns are insufficient – we must also stimulate a more love-centric self-concept and compassionate mode of existence in order to succeed; we must nurture and encourage our better selves to the point of transformation. We may retain primitive evolutionary structures in our physiology – we are still primates after all – but our nascent love-consciousness must eventually dominate so thoroughly that those structures no longer prevail in our ideations, volitions and reflexive behaviors. Love’s plethora of frequencies must outshine, outmaneuver and outlast all other tendencies both individually and collectively, so that, for example, kindness utterly vanquishes guile.

Anyone who has read my books and essays will undoubtedly recognize here a convergence of themes I have covered before; it seems to be a pattern in my writing of late that old ideas re-integrated with new insights into larger semantic containers. As with those previous iterations, there remains the importance of translation in praxis, but as always the translation should be inherent to the process itself. Managing complexity is really an essential component of every other topic I have written about, so it makes sense that there would be a natural evolution into (presumably) greater spheres of inclusion. This is the expectation of integral thought, but, as with most of human understanding, and despite the grandiose efforts of many clever thinkers and passionate activists, our species seems to just be arriving at the edge of the sea of our own vast ignorance in many regards. So it is a given that this topic, its conceptual components, and any practical applications we can derive here will be moving targets awaiting the larger, ever-more integralizing embrace of future memplexes. This disclaimer shouldn't discourage us, though, because anyone engaged in something like the collective evolution of consciousness, a broadening amplification of compassion, a deeper understanding of the Universe or any other great work can still avail themselves of new tools to aid in their efforts. And it is precisely such tools I hope we are exploring here.

## Values Structures & Moral Development

In a nutshell: the primary goal of Integral Lifework is the cultivation of productive and sustainable love-consciousness (prosocial ideation and behavior of the highest order), a love-consciousness that radiates outward from our innermost being, amplifying itself across successively widening arenas of action, encouraging personal evolution of character and the moral maturity of human society so that loving kindness reigns supreme in every situation. So everything proposed here is either a natural outcome of this compassionate affection, a supportive structure to enable the growth of that felt experience...or (and this is often the case) it is both. Love, in the sense of an advancing *agape* that seeks the greatest good, for the greatest number, for the greatest duration, unifies, harmonizes and indeed subordinates all other concepts and practices. So all that we need now is a way to describe and organize this unitive, prosocial, governing intentionality as clearly and pragmatically as possible, so that its function and priority are holistically understood.

In my early attempts to express qualitative handles for love-consciousness, I described one of its primary components as “the golden intention.” As I wrote in *The Vital Mystic*:

What, then, is the *golden intention*? It is the effort to conform my will and work to the good of everyone and align myself with the life-force that infuses every moment of our existence. It holds to the ideal of putting the welfare of the Whole above the self-gratification of a few, and eventually erases all self-consciousness in action....

Is the objective of golden intentions a kind of devoutly altruistic attitude? In some ways, yes, but such “selflessness” does not always take on a self-sacrificial flavor. We may appear very selfish and still do good work, because we have shaped our ideal of what nourishes our own well-being around what we also believe nourishes the well-being of others. For example, if I

were to write a poem, and someone finds the poem inspiring, my self-expression may still appear indulgent to another person who doesn't enjoy the poem at all. By its nature, then, the golden intention cannot be consistently externally validated by others...The main consideration here is that, in the mystic's worldview, the generation and exoneration of our motives is chiefly an internal process, and is not dependent on externals.

Later on, in *Essential Mysticism*, I elaborated a bit more on the "golden intention," shifting its focus:

I cannot emphasize enough that actuating spiritual cognizance and encountering a gnosis of the Absolute without concurrently developing the most beneficial of intentions can have counterproductive, sometimes even disastrous consequences. Questing after knowledge, trying to find inner peace, gaining personal power or becoming a more compassionate agent of positive change are all inadequate motivations. In mysticism such desires, however impassioned, must be subordinated to an overarching intention to align oneself with the "good of All," even if we are not certain how that is defined. Mainly, this is so we become less attached to personal enrichment and our own interpretations of right and wrong, and more attentive to an all-inclusive developmental process. Even if we suspect the good of All is inevitable, or is destined to advance without our personal contributions, couldn't we still enhance it through the focus of our consciousness and will? The orientation that we can – and the conviction that we must – is called the *golden intention*.

What is the good of All, then? In short, I believe it is the spiritual evolution of the Universe itself. But what I believe is irrelevant, and you should discover any shared understanding through your own mystical journey. The key is trusting that the good of All is possible, and that we can in fact bind ourselves to it. We may never grasp the entire picture as it relates to our current actions – though spiritual cognizance will of course help us in this regard – but if we discipline our hearts to sincerely desire what is best for All Things, including ourselves, then it does not matter if we are certain of any specific direction or outcome. In fact, mysticism tends to discard moralizing and determinacy in favor of personal integrity with a simple principle: to develop as our first priority the habit of acquiescing to a higher nature, and thereby enter a flow of directedness supported by the Universe itself. In a way this is an article of faith, but it is a necessary one evident in all branches of mysticism, and it grounds our spiritual practice.

And by the time I revisited the "golden intention" in *True Love*, it had developed further still:

Energy exchanges within a broader context tend to be much more fulfilling. A meal lovingly prepared for us by a friend is a lot more satisfying than a quick snack alone. Adorn that meal with a special occasion – a favorite holiday, a birthday, an anniversary – and it becomes memorable as well, nourishing our heart and spirit. In the same way, when we approach nourishment with a consistent, guiding intentionality behind our actions, we add value and energy to our experiences. If we care about what we are doing because it supports a deeper conviction about why we should act, then we can make choices with more confidence and execute them with more zeal and perseverance. This is how intentions affect our nourishing

style and capacity. In one way, love itself performs this supportive function, and when we are immersed in love-consciousness we tend to act from that state of being without calling upon anything greater. Love justifies itself. But what supports love? What is the governing intention behind the will to be caring and compassionate? Often we will find that the life purpose we identify for ourselves fulfills that function, acting as a backdrop against which all decisions can be measured. But what is the backdrop for our backdrop? What supports us when we temporarily lose our personal vision, or fall out of love for a while, or stumble across new barriers that seem intimidating or insurmountable?

One answer that spiritual traditions offer us is an overarching desire for the good of All. That is, what benefits everyone, including ourselves, to the greatest degree. Before making any major decision, if I ask myself “is this for the good of All?” I can begin aligning my intention with that higher stratum of moral valuation and a broader, more inclusive purpose. I may not always know for a certainty the answer to that question, but if I ask it, I am at least examining my own heart for any signs of willfulness. And creating that softness of heart, that willingness to align myself with a greater good, opens a channel to wisdom and insight. You might be asking: “Wait a minute, how can we ever know for certain what the good of All really is? Isn’t that kind of bigheaded?” And of course that is one of the dangers. If we assert that we have been granted some special dispensation to stand for good in the world, and that therefore whatever we desire is for the good of All, then we can fall into a classic trap of willful ignorance amplified by unrepentant arrogance, and lose ourselves in megalomaniacal delusion. At the other extreme, if we deny our innate capacity for wisdom and discernment, submitting instead to a sense of helpless inevitability, we can annihilate our potential contribution to all-inclusive beneficial outcomes. So this practice requires just the right balance of courage and humility, relying on an inner conviction, a certainty of faith, that the good of All is possible – perhaps even inevitable – and that we can and will contribute to it. We are confident not in our having the perfect solution, but in our willingness and eagerness to be part of a solution. Our fundamental belief that the good of All deserves to be manifested and indeed cries out to be manifested is what calls us forth and draws us onward. I call this the golden intention.

The skeptic might argue: “How can I trust in something if I don’t know where it comes from or where it is taking me?” Because it is precisely our not knowing that entreats our faith. Even if we have a pretty solid idea of what is the most beneficial and skillful for everyone in a given circumstance, any failure to actualize that vision – or just the inevitable twists and turns in the road that obscure any outcome – can sap our momentum. And the exact details of that bigger picture are almost always hidden from us. We may catch glimpses every now and then, but it is difficult to differentiate the illusion of our own desires or the realism of our imagination from what is actually happening. So we must trust that our governing intentionality will contribute to a bigger picture, that our will aligns and harmonizes with the good of All simply because we choose this as our destination. As an additional benefit, as we integrate this intention into our modes of being, we will begin operating within higher and higher strata of moral valuation. That is, we will begin to view our choices and the events around us through a more refined filter of spiritual understanding. And this will not only enwise our insights, but sustain us through great difficulties.

Now since references to “altitudes of moral function” and “strata of moral valuation” keep popping up, this seems like an opportune moment to flesh out this concept. The basic idea, inspired by thinkers as diverse as Aristotle, Plotinus, Spinoza, Hegel, William James, Teilhard de Chardin, Jean Piaget, Evelyn Underhill, Sri Aurobindo, Gene Gebser, Lawrence Kohlberg, Carol Gilligan and Ken Wilber, is that there are multidimensional shifts in our moral operation over time – especially as we advance in our wisdom and discernment about the nature of our own being, consciousness and humanity. These layers or “strata” of moral valuation inspire cascading hierarchies of values, all of which eventually subordinate themselves to love-consciousness. Another way of saying this is that each stratum represents a grouping of mutually supportive perceptions, thoughts, emotions and behaviors that operate according to an imperfect understanding of affectionate compassion, but still reach toward it like a plant toward the sun. Each is a successful holding pattern (in terms of individual and inclusive fitness) for a stage of relating to self, others and the world around us. Although the demarcations between strata are inexact, once we adopt these definitions they are readily observable in ourselves and others, albeit as different levels of maturity in different types of interpersonal relationships and contexts, and within different dimensions of self. That is, we don’t tend to advance uniformly, linearly or non-selectively; rather, this is an organic process, with lopsided lurches and leaps that induce dissonance just as often as they resolve into harmony. Thus advances and regressions are in constant (multidialectical) tension with each other. Below is a chart that maps the course of a proposed moral development.

### *Strata of Moral Valuation*

<b>Applied Nonduality</b>	<p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all - so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree - but nevertheless carefully balanced - flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, and no concept of no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>
 <b>Unknowning Emptiness</b>	<p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of</p>

	<p>all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, "now" still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases "becoming" anything at all.</p>
<p style="text-align: center;">↑ <b>Spiritual Universality</b></p>	<p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates "the good of All." "The good of All," in turned, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion - a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>
<p style="text-align: center;">↑ <b>Transpersonal Holism</b></p>	<p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant timeframe for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>
<p style="text-align: center;">↑ <b>World-Centric</b></p>	<p>Now there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a line.</p>
<p style="text-align: center;">↑ <b>Principled Rationalism</b></p>	<p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous</p>

	<p>communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>
<p style="text-align: center;">↑ <b>Cooperative Communalism</b></p>	<p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum tends to invite preoccupation with the future, sometimes even beyond one's personal future, because one is charting a course through increased complexity. Time is experienced and conceived as episodic.</p>
<p style="text-align: center;">↑ <b>Competitive Communalism</b></p>	<p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; non-conformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>
<p style="text-align: center;">↑ <b>Contributive Individualism</b></p>	<p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and one-on-one relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p style="text-align: center;">↑ <b>Opportunistic Individualism</b></p>	<p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p style="text-align: center;">↑ <b>Defensive Tribalism</b></p>	<p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with - and subjugation of - other individuals or groups outside of the tribe ( or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well</p>

	as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.
 <b>Tribal Acceptance</b>	Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is "right" or "wrong" is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small - a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.
 <b>Self-Protective Egoism</b>	Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.
 <b>Self-Assertive Egoism</b>	The aggressive utilization of basic tools to satisfy own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.
 <b>Egoless Raw Need</b>	Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's "relevant timeframe" for this needs fulfillment is almost always the immediate, everpresent <i>now</i> .

It takes a while to absorb the content of such a chart, and it would take even longer to discuss it more fully, but the idea that there is a predictable arc of moral advancement is an essential feature of the values hierarchies that support constructive integralism. Why? Well, for one thing the shape and feel of a “golden intention” – or any other overarching imperative that directs our intentions – would otherwise be impossible to predict or promote. For another, “love-consciousness” would be just one of many possible states of being, and there would be no way of validating its primacy. We would have trouble, for example, defining and grouping emotionally “healthy” states, or defending the observation that they are more constructive or efficacious than emotionally “unhealthy” states. This is precisely the same relationship that multidimensional awareness has to a higher tolerance for complexity, so that an open-minded, self-discerning mode of evaluation is clearly more beneficial than a closed, reflexive loop that relies on externalized guidance. And without a way to prioritize ideations, values and actions, our efforts would be set adrift amid an ocean of competing and seemingly equivalent ethical ideologies...which is in fact one of the more miasmatic maladies of the postmodern era. Indeed, I feel it is this is what may have infected some of the other iterations of integral thought.

As an alternative, if we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will

– we can begin to arrive at values hierarchies that are not only internally consistent, but that energize a clearly defined evolutionary arc amid what often seem to be convoluted or competing systems. When combined with multidimensional awareness, we can sort through the profoundly complicated issues of the modern world and assign dynamic, flexible priorities. I can attest to this not only theoretically, but from my own experience. In managing people in organizations, for example, whenever I placed “the good of All” above any other agenda – above shareholder profits, for example, or my own ego gratification, or favoritism of one person over another, etc. – then the outcome was always beneficial to the largest degree for the largest number for the largest duration, as long as I could integrate as many perspectives as possible within this compassionate prioritization. And this was true in all sorts of environments, from non-profit to corporate to governmental to community organizations: a principled decision motivated by maximally-inclusive compassionate affection always created more harmony and contentment in the end, even if it wasn’t initially popular with one or two employees or community members, and even if it ruffled my manager’s or client’s feathers.

Of course, we could also choose something else to power our values hierarchies. We could choose acquisitive materialism, or reinforcement of unequal social power structures, or righteous indignation, or violent justice, or self-imposed victimhood, or childish egoism, or malicious spite, or one of the many other motivational memplexes available in humanity’s noosphere. But what the sages of nearly every wisdom tradition declare, the prosocial genetic programming of primate species strongly suggests, the depths of mystical gnosis illuminates, and multidimensional awareness affirms, is that the felt experience of compassionate affection has the greatest motivational efficacy. It is the wisest pilot for our consciousness, the most elegant moral arbiter for our species, and the choicest compass for our soul. In *True Love*, I go so far as to say that skillful love is a prerequisite for adequately nourishing ourselves or others in any dimension:

A stronger way to state this principle is that without the cofactor of love, the nutrients available to different dimensions of our being cannot be properly metabolized. You could even say that a paucity of love is our greatest barrier to wholeness and well-being. The felt experience of compassionate affection must develop in parallel with every other aspect of self; it is both a prerequisite and product of nurturing efforts. Returning for a moment to the strata of moral valuation, consider that movement from one stratum to the next cannot occur unless love is firmly seated in our consciousness. Authentic love, in this context, is the fullest expression possible of our particular level of moral development; it progressively defines what we value and how courageously we act on those valuations. This leads to one way we can define love-consciousness: love that has become fully conscious within us, producing a sensitivity that is wholly infused with love and grounded in ever-expanding arenas of affection. Another way to say this is that our moral development reflects the maturation of love within us, and this in turn defines how skillfully we can achieve multidimensional nourishment for ourselves and throughout all of our interactions. Our energy exchanges become the very currency of love and the evidence of its sovereignty in our life...

...If I feel affection for myself, won't I want to nourish every aspect of my being? And if I can care for myself effectively, won't that help me become more competent in facing new challenges? Thinking, choosing and acting from a place of loving kindness, we have the courage to be flexible and allow appropriate fulfillment impulses to take the upper hand when needed. Then our love can flow forth into the world around us as well. I am sure you can intuit the critical role that compassionate affection plays in the nourishment process – it is the beginning and end of our journey. True love is the kernel of enduring strength at our core, the wind that lifts us, and the distant horizon towards which we fly. It is the cofactor for metabolizing healthy nourishment in every dimension of self and the sunlight that enables growth. It inspires change and supports us as we test our wings. Love then provides the courage to see ourselves and the world around us clearly, and envision a future appropriate to who we really are. In the end, it is only through love that we can grasp the importance of the life we choose to live, or measure the real worth of our triumphs.

My understanding of love-consciousness, values hierarchies, the golden intention and so on continue to be transformed by the integralizing filters of discernment, a neutral holding field, flexible processing space and multidialectical processing. I believe it has been through this growth curve that I eventually arrived at the book *Political Economy and the Unitive Principle*, where the importance of collective moral development in enabling the capacities and durability of civil society becomes so pronounced. Here again, all of this remains dependent upon individual commitment to self-nourishment and loving intentionality that expresses the “unitive principle” of love. As I wrote there:

Is it the natural maturation of a more sophisticated and far-seeing self-interest that inspires a unitive vision? Is it an inevitable evolutionary refinement in social relations? Is it an arbitrary hiccup in the development of the brain that provides some adaptive advantage? Is it evidence of a divine imprint on the human psyche, or part of what Sri Aurobindo called "supramentalisation," the ongoing descent of the divine into the material plane? I have my suspicions, but of course I don't know the answer. I have just observed it over and over again: the *unitive principle* appears to be firmly embedded in holistic nourishment and moral creativity as a function of natural maturation and growth, with continuously humanizing, harmonizing and liberating effects. And this why I believe transformative, all-encompassing love-consciousness should become our guiding intentionality for everything, including models of political economy, because this kind of skillfully compassionate affection has proven itself to be the most constructive force available to us.

Returning to the main subject of this essay, it should be obvious by now how a memplex infused with *agape* (as compassionate affection in action) can contribute to our management of complexity. Along some popular integrative lines, one approach might propose elevating and refining postformal reasoning; another that we expand quantum models of cognition; another that we unify objective, subjective, intersubjective and interobjective perspectives; another that we develop cross-paradigmatic orders of hierarchical complexity; another that we rely on complex systems theory; another that we develop transcontextual thinking via participatory processes; and so on without end. Many books have been written about these and other approaches, and how each one has potential advantages over another. So our first

impulse might be to integrate all such proposals into a neutral, multidialectical space, holding them lightly until we recognize the virtual point that relates along multiple lines into our current decision matrix. And of course any such conclusions would be fluid because our localized context, informing variables, valuations, outcome metrics and prioritizations are all equally fluid – just as our understanding of what “all-inclusive” or “maximally beneficial” would also be fluid. And this strategy would indeed be “integral” in one sense. But I believe such a strategy would still fall tragically short if it is not executed in a thought field permeated with the love-consciousness and multidimensional contributions already described.

Why? Because, once again, integrative approaches should operate at the highest moral altitude possible, where the importance of a governing intentionality of compassion, and the role of a *certain something* that transcends rational deliberation, are dominant parts of the mix. Some philosophers (Hegel, Fichte, Shelling) alluded to that certain something as “Anschauung,” a nondiscursive insight or “intellectual intuition.” I have described variations of a certain something as mystic activation or gnosis. But everyone who returns to rational intellection after these peak experiences – however we choose to name them – seems to arrive at the same conclusion: concern for the well-being of others and the harmony of society as a whole is an inevitable byproduct of authentic “certain something” experiences. Even the Buddha – after inhabiting profound insights about the emptiness of all phenomena, all concepts of self, all consciousness, all being and all becoming – still concluded that the only thing left worth doing was to relieve the suffering of others. In *Political Economy and the Unitive Principle*, I document how compassionate sentiments are preeminent within the Western canon of ethics philosophy, and indeed are part of a nearly universal, cross-cultural ethical lineage. And I would be so bold as to say that love-consciousness is common to all productive insight, discernment and wisdom, and indeed *must be present in any form of integral processing for it to be labeled “integral.”* For if unitive insights truly issue from higher altitude moral strata, they will by their nature always reflect these all-inclusive characteristics, which in turn will evidence themselves in cascading moral valuations based on prioritization of compassionate relations. A passionate commitment to the good of All is always present. A felt sense of genuine affection binds all interdependencies. An ineffable certainty (that is, non-symbolic, experiential wisdom) overrides rational constructs, then facilitates our rationalization of thoughts and actions that will facilitate prosocial impulses. In my view this convergence ensures highly advanced integral processing, regardless of the dominant technologies, worldviews, memplexes and paradigms that detail the processes of that integralization. In *Integral Lifework*, for example, a love-dependent gnosis effectively transcends all conditions and interpretations.

Although many of these principles are explicit in a number of philosophical and spiritual approaches throughout history and around the globe, they have often been forgotten in the hyper-rational, reductionist ideologies that pepper our postmodern era. And of course I feel this is a dangerous departure, a disconnect from previously proven modes of constructive, prosocial being. As Rumi reminds us: “Intellect is good and desirable to the extent it brings you to the King’s door. Once you have reached His door, then divorce the intellect...You

have no business with the how and wherefore. Know that the intellect's cleverness all belongs to the vestibule. Even if it possesses the knowledge of Plato, it is still outside the palace." Discursive modes of analysis can get us close to the palace of wisdom...but they can't get us inside. So that is the caveat we must always observe when reveling in our highly advanced, multidialectical, inter-specialized, integralizing understanding of the Universe: if it isn't guided by love and gnosis, it profits us nothing.

### **Functional Intelligence: How We Know We're Managing Complexity Successfully**

At the beginning of this essay, before I offered these proposals regarding constructive integralism, I tainted all that followed by questioning the adequacy of consciousness itself to see beyond its own operational boundaries. If consciousness evolved to improve the individual and inclusive fitness of our species, then fitness is really all that it provides. Anything beyond this – any grand philosophical or transpersonal musings – may just be so much fitness-reinforcing fantasy. And this brings up an important litmus test for “constructive integralism:” Does it add value to our individual and collective survival in concrete ways? My suspicion is that if we believe it does, then it will. In much the same way that the placebo effect facilitates healing of all sorts of illness, a mode of being that manages complexity in ways it *believes* are beneficial to all systems being integralized – including human survival and the evolution of consciousness – will be more likely to induce the desired results. On one level, this means that *any* such beliefs are beneficial; on another, the more inclusive our input streams, and the more diligent our metrics to assess outcomes, the more available a positive trajectory will become...along with the faith that trajectory invariably demands. So just as the scientist trusts her instruments, and the hiker trusts his compass, and social institutions trust the collective agreement of their members, we must also trust the capacity of our consciousness to see beyond itself, to a new way forward that hints at self-transformation. It is my contention that this is the mythical vestment we must don to help heal our society and, ultimately, evolve our species.

But how can I assert this with any confidence? Well, I think it's obvious that natural selection among humans has been influenced by individual choices and cultural practices for millennia – we have been involved in reinforcing certain genotypes and phenotypes in our species everywhere around the globe, whether we readily recognize this or not. Consider the lack of genetic diversity and/or increase in genetic disorders among populations isolated or decimated by persecution and war, or by famine and malnourishment that resulted from poor cultivation methods, or by self-oppressing and self-defeating cultural ideologies, or by domination of one group by another over multiple generations, or by the proliferation of toxic pollutants. Consider also the genotypes and phenotypes that have thrived and reproduced in violent cultures, male-dominated cultures, cultures where ruthless competition is prized above empathic cooperation, cultures that promote sedentary lifestyles and obesity, or societies where medicine has preserved reproduction among carriers of fitness-limiting

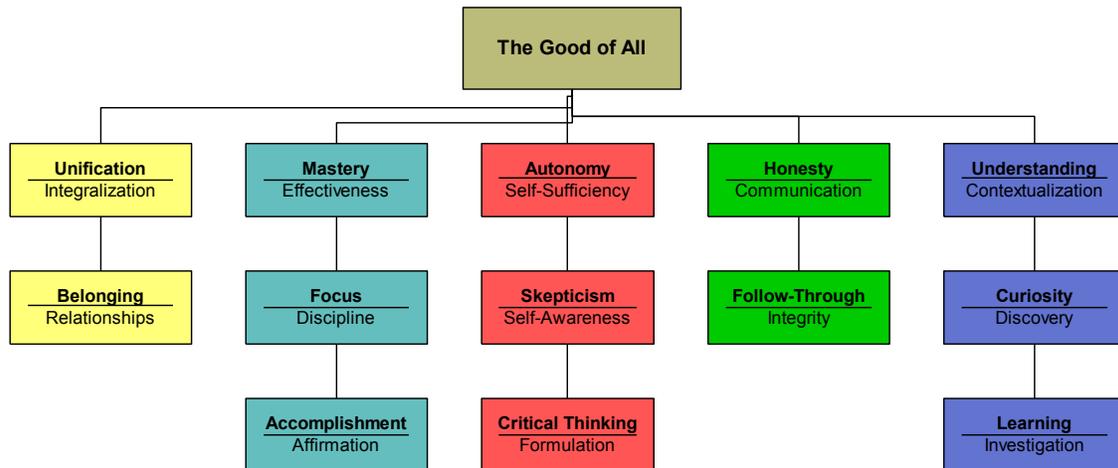
genetic disorders. As a species, we have been overriding natural selection for a very long time, and as our technological sophistication escalates, so will our ability to (intentionally or unintentionally) reinforce certain traits and, ultimately, interfere with our own evolution. So shouldn't we focus more attention on how we navigate this situation? Shouldn't we step back for a moment, and recognize that all of our choices will not only impact the environment we leave for future generations, but also the fitness of their DNA?

Surely, we must begin to address these kinds of decisions more consciously and compassionately, and find useful ways to measure the efficacy of our approach. What should we be looking for in outcomes, and what metrics can be relied on for our ongoing evaluation? How can we get a handle on accurate predictions (and cascading predictions)? My answer to this dilemma is to adopt a standard of *functional intelligence*. As I write in the essay "Functional Intelligence:"

In the context of Integral Lifework, *functional intelligence* represents our effectiveness in perceiving, operationalizing and developing personal values. This demands a high level of self-awareness, and answers to some detailed questions. For example, are we aware of our operative values hierarchy, especially in contrast to an idealized one? Do the outcomes of our efforts actually align with our values? Do we routinely and accurately predict those outcomes? Have we been able to improve our skillfulness in actualizing our primary values? Do we recognize when we stray from a desired course? Over time, have we been able to integrate new, idealized values with our more intuitive and reflexive values? In this way, does our values hierarchy reflect an ongoing maturation process? In the most concrete and measurable terms, what is the relationship between our internal values, what we think, how we feel, and what we do? By answering these questions and elevating our attention to these patterns, we begin to outline the many facets of *functional intelligence*.

Also from that essay is the following example of values hierarchy, operationalization and assessment:

## Cascading Values Hierarchy



## Operationalization & Assessment

A friend asked me if I needed some help leading a community discussion about how to oversee business expansion in our neighborhood. I thanked her but said no, I would like to lead the discussion myself, and that I would appreciate any resources she could provide. So she sent me some information on how to seed a group with ideas and build consensus before the meeting occurred, so that it would appear as if consensus was happening organically, when really it was a result of prior persuasion. But, after meditating on the subject and discussing it with some trusted friends, I decided not to take this approach. Instead, I researched some more until I found material on facilitating group discussions that encouraged brainstorming among different perspectives, then provided ways of "bubbling up" those different ideas into shared primary objectives. I then led the discussion using these tools, and was able to cultivate consensus in the group regarding the question at hand. As a result, the community was able to consolidate behind a specific list of standards that businesses would be required to adopt when setting up shop in our neighborhood. It would be several years until we were able to assess whether the standards would have the desired results, but in the interim the community felt empowered to engage in the governance process, and optimistic about their prospective impact. What was clear for now was that I did seem to operationalize my own values hierarchy in this process .

Of course, whatever altitude of moral sophistication we can sustain will shape our values hierarchy – and vice versa – so encouraging a moral maturity that cultivates unitive love-consciousness remains a central focus. But how do we get there? How can we stimulate and sustain our own moral development? What are the supportive structures for our own healing, growth and transformation? Well, that is again what Integral Lifework is all about, for by nourishing twelve dimensions of being in skillful ways, we create interior and exterior conditions for exactly those consequences. As I write in “A Mystic’s Call to Action:”

Compassion, discernment, skill, patience, persistence – all of these may add to the mix, but they are not enough. Why? Because all truly effective effort arises from balanced and harmonious wholeness; that is, an energy, intention and love-in-action that is invigorated by all of the supportive structures that make up our being. By consciously attending to these supportive structures, our wholeness not only becomes harmonious, but also greater than the sum of its parts...

...What do I mean by "effective nourishment" of twelve dimensions? Each facet of the whole requires its own focus – its own special flavor of energy and effort – and the descriptions above make much of this self-explanatory. But there are other, less obvious characteristics of effective nourishment as well. For instance, there is a Goldilocks zone for each dimension, a

virtual space between deprivation and indulgence that provides optimal support, and although this will be different for each person, it is important to cultivate a Goldilocks zone in every dimension. There is also a component of dialectic tension that establishes push-and-pull stimulation for each type of nourishment. Like tides moving up and down a beach, the energy of that tension stimulates growth and change. For example, the tension between rest or relaxation and vigorous exercise for a Healthy Body, or the tension between creative self-expression and appreciating and internalizing the creative expressions of others in Playful Heart.

There are also certain qualities of connection, openness, intimacy and relationship that must be present in each dimension for it to be nourished; like an inner family of hungry kids, we must help them care for themselves and each other, and sincerely care about themselves and each other. And although Integral Lifework begins as a series of nourishment routines that target particular dimensions, its ultimate objective is harmonized nourishment of the whole through integral practice. That is, to cultivate habits, activities and patterns of thought and emotion that nurture many dimensions at once in the most balanced and loving ways. Harmonious interplay is the final most critical characteristic of multidimensional nourishment. There are many additional components of essential nourishment, but these few are key.

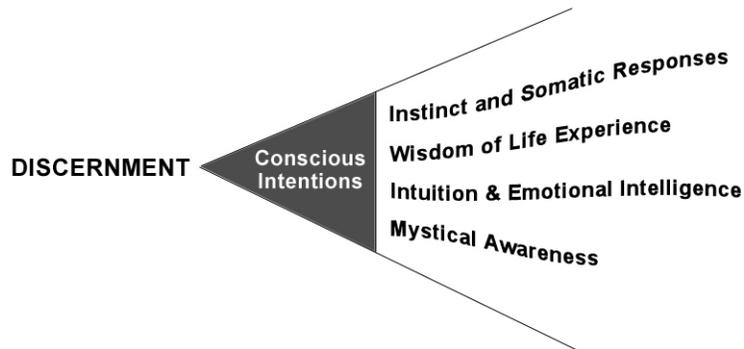
At first all of this may sound a bit overwhelming, but one of the delights of holistic nourishment is that simply becoming aware of all twelve dimensions and their importance is a significant step towards wholeness. To whatever degree we can include the care and feeding of these twelve inner selves in our daily routines, we will begin to create synergies and harmonies that nourish and sustain the whole in unexpected ways. This care and feeding may begin as the targeting of just one or two undernourished or neglected dimensions, and developing slowly from there. And of course there are many activities that will nurture more than one dimension at once – sometimes all arenas can even be nourished at the same time. All regular self-care has unintended cross-pollination, even if we are not conscious of it. Eventually, when all twelve dimensions come into balance, something miraculous happens....

Such compassionate caring for all dimensions of being at once is what I mean by “integral nourishment.” That is crucial to supporting a natural, effortless expression of a high altitude moral orientation...that is, the perfection of love-consciousness in widening arenas of action and intention. We begin with interiority and expand out from there in concentric circles of dynamic interplay, so that our values are operationalized first and foremost in our modes of thought, feeling and volition, and then in all of our relationships – with friends, neighbors, communities, economic systems, political systems, ecosystems and so on. Thus, ultimately, the *golden intention* – our passionate desire for the greatest good, for the greatest number, for the greatest duration – percolates through our entire being until it overflows into every interaction.

There is more to this, of course, such as specific definitions for the twelve dimensions of nourishment, various methods of nurturing and overcoming personal and collective barriers to nourishment, the primary drives and fulfillment impulses that shape our volition, and so on, and all of that information is easily accessible via Integral Lifework resources scattered

throughout my work and around the web. But is there a guaranteed method of predicting and evaluating outcomes that assures us of our own values-alignment? Well, yes there is, and we've already touched on it several times: the wisdom and discernment that develops through multidimensional awareness. From *Essential Mysticism*, an abbreviated snapshot of that process is captured below.

Many factors will combine into moments of discerning insight. Here are examples of some critical input streams:



Each input stream requires separate attention and refinement, and although all of them are innate processes, in the modern world there is often little encouragement to nurture them. After all, how often do we really listen to what our bodies are trying to tell us? And the wisdom of our life experience may sometimes contradict what we learn in school or the latest advice from media talk shows. Our intuition may be ridiculed or dismissed by coworkers, family members and sometimes even friends. And mystical awareness will present challenging and paradoxical information, in part because it has a different orientation than other input streams...Now consider that all of these may not readily agree with each other – at least not on the surface – and discernment can seem impossible to synergize. However, as we filter each contribution through the golden intention, with sincere confidence that the good of All will be served, our discernment has an anchor and a filter, so that the implications of each choice become unquestionably clear.

And once again we come full circle to the heart of the mystic's way: letting go. By releasing our certainty about what is, what our ego demands of us, and even what our past successes have taught us, we invite lucidity and synchronization into current consciousness. By relaxing our dependence on intellect and physical sense, we enter a Sacred inner space where the broadest possible context for our actions is revealed. By letting go of personal attachment to outcomes – and the dominance of any one input stream – disparate information merges into unified insight.

For me, the quickest route to this unification is meditation. Difficult conundrums melt away when the mind is quieted and I am no longer so attached to thoughts and feelings. What swiftly arises is not only distilled vision, but also the underlying principles supporting that vision. Sometimes this can only be explained as an inexplicable “knowing.” At other times, in a flash of interconnection, things fit together in ways that make rational sense. And, of course, there is the final necessity of following through. When we support true

discernment with action, our wisdom is confirmed and our faith in mystical methodologies deepens....

What is perhaps most interesting here are the roles and relationship between what have traditionally been considered “conscious” and “unconscious” elements of mind. In functional intelligence, there are indeed intuitive values that exercise a primary influence over our thought field and volition, but what an active development of wisdom and discernment provide (and what integral practice in general promotes) is a more transparent and fluent communication between conscious choices and unconscious patterns. We will always operate from our intuitive values, that is a given, and it is also a given that those values will be to a large degree an intersection of cultural programming, peer pressures, core material from childhood, resilient memes, and our own clever rationalizations for what our DNA compels us to do. What Integral Lifework promotes, however, are avenues for additional input into this values formation that result from a targeted array of self-nourishing practices.

I would also take this one step further and say that there is probably no such thing as a structural separation of conscious and unconscious, that instead there is merely a shift in active focus (i.e. varying degrees of executive function and volitional engagement) across a broad spectrum of structures that comprise perception and apprehension. Some of these structures, like somatic memory, tend to resist active focus more than others. But that does not mean they are strictly “unconscious.” Among many reductionist errors during the course of Western science is a compartmentalization mind into arbitrarily defined components that must, of theoretical necessity, explain the perceived whole, while always (also of seeming necessity) retaining their significance as discrete functions. In much of my writing – including my theory of identity in *Memory : Self* – I also introduce such invented divisions, in order to describe various processes and interactions I have observed. At the same time, however, I endeavor to reach for a whole that not only includes “parts” that have often been neglected, but that result in a more emergent, relational, process-oriented field of being that itself is interconnected with myriad other fields of being not ordinarily ascribed to “self.” And why is this important? Because I would extend the same reasoning to include elements of mind that do not reside in our physiological being at all, but are transpersonal expressions of a collective, superordinate Whole. This is the mystic in me speaking, to be sure, but my point is that all effectively communicative language constricts exposition to a much narrower spectrum of ideas, intuitions and senses than actually exist. Without experiential learning, the arts, moments of profound insight, gnosis and so forth, we would be trapped in the paucity of our limited vocabulary. I suspect that every author, songwriter and poet knows this to be true.

In any case, we will ultimately know that we are succeeding – that we are functionally intelligent – when our evolutionary success as individuals and as a species improves over time, inclusive of all the variables, unintended consequences and externalities an integralizing model seeks to encompass. That is the really long arc that serves as our most definitive metric. But we can and should attempt to predict that arc using the tools discussed here...as well as tools we haven’t thought of yet that will be based on more elegant models of integral understanding in the future. As the scientific research alluded to earlier contends that

prosocial tendencies evolved to improve our species' fitness, it seems like a solid bet that refining those tendencies – and unifying them within a thought field governed by love-consciousness – continues to hold promise for the future. And yet...is this “The Answer,” or just another error predicated upon “the myth of the given?” As one pragmatic way to parse this dilemma, we can circle back to the emotions chart and assess the successes and failures we have observed in our own lives, in the lives of others, and throughout the recent history of our society according to those contrasting dispositions. Of course cognitive bias is likely to rear its ugly head when undertaking such an assessment, but again...that is where meditation, deep introspection, multidimensional awareness and emotionally honest discussion with our peers can help us discern our way through ever-emerging convictions.

So there you have it. Yes, there are many moving parts to be accounted for here, and new ways of thinking, doing and being to be cultivated, but once we develop a few new habits of mind, heart, body, community and spirit, we can hone our functional intelligence into an easily accessible praxis. And the result? We will better embrace complexity, comprehend complexity, predict complexity, and manage complexity within and without, in all its emergent expressions, while doing this in the most compassionate and beneficial ways...for the good of All.

# Level - 7

## Tools For A New Political Economy

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## A Mystic's Call to Action

(Adapted from a post at [Beams & Struts](#))



So you have tasted divine essence, awoken from your slumber, peeled back the veil of limited perception and

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apprehended the underpinnings of existence, shed illusory concepts of self and ego, immersed your consciousness in unitive states, let go and let go and let go again until there is nothing left...not even a lingering concept of what you have left behind. You have surrendered to the raw, exposed ground that reflexively evokes compassion for all things, you are brimming with a profound affection that annihilates all perceptions of difference, hierarchy and personal conceit. You are consumed by a purifying, invigorating flame of gnosis that insists in translating spiritual bliss into practical blessing. You know, intuitively and with certainty, that what you have experienced amid the depths of your being longs to be expressed in fluid, skillful, unselfconscious service to others. There is an intense momentum within you to release the floodgates of unconditional love upon the world. Your cup is running over.

Okay, now what?

Integral Lifework proposes that our most noble efforts in response to this awakening must be supported by all of the dimensions of our being. Compassion, discernment, skill, patience, persistence – all of these may add to the mix, but they are not enough. Why? Because all truly effective effort arises from balanced and harmonious wholeness; that is, an energy, intention and love-in-action that is invigorated by all of the supportive structures that make up our being. By consciously attending to these supportive structures, our wholeness not only becomes harmonious, but also greater than the sum of its parts. There are hints of this principle in many spiritual traditions. In the emphasis on commitment to a spiritual community, or the imperative of regular prayer and meditation, or the encouragement to be reflexively generous and eschew material wealth, or the importance of conditioning the mind and body through prescribed self-control. All of these practices define interior and exterior structures that invigorate spiritual aspirations and facilitate the translation of what we might describe as the evolution of being into pragmatic and effective action. And each tradition carefully defines a means of engaging like-minded community and the broader society to support spiritual nourishment and maturity.

Of course these traditions also remind us that relationships between gnosis (the intuitive apprehension of mystical insight), supportive structures, and reinforcing actions are interdependent. That faith without loving actions is a nonfunctional faith; enlightenment without compassion is not enlightenment; letting go of selfhood without service to others is not really letting go. In this way, spiritual systems seek to maintain a dynamic equilibrium between inner stillness, personal development, and constructive interaction with others. Even as each belief system seeks to transcend the conventional, mundane and material – to relinquish attachment to various aspects of the physical world – they ultimately return to affectionately serving that physical world in order to facilitate spiritual maturity. Prophets always come down off the mountain to mingle with the masses, saints humbly cultivate kind deeds, bodhisattvas devote themselves to relieving the suffering of others, and so on.



In many spiritual traditions, the encouragement of spiritually supportive frameworks and compassionately reinforcing behaviors is often contrasted with egocentric, willful, profligate dissipation. Religious institutions have an unfortunate habit of overemphasizing this contrast to elevate the orthodoxy, purity and self-righteous zeal of a particular tradition. And most of these institutions tend to emphasize the exoteric over the esoteric, ironically discouraging evolution of being in favor of social conformance. But when we peel back the veneers of institutionalization, tribalization and legalistic controls, we discover what is essentially a system of spiritual nourishment at the heart of all religions. And all these systems demand that other supportive structures and reinforcing behaviors be concurrently developed in order for that nourishment to succeed.

As some more specific examples, we can observe how a Christian learns that spiritual maturity is not really occurring unless there are character changes such as self-control and sincere humility; that the physical body must be cared for because it is a vehicle for the Divine; that involvement in a community of fellow believers is an essential part of the Christian experience; that loving others is the only enduring evidence of one's love for God; and so on. These other dimensions of essential nourishment are meant to support each other and facilitate spiritual growth. Likewise, a Buddhist refines skillful compassion not just as evidence of meditative insight, but because skillful compassion creates a fertile, facilitative environment for liberation from suffering in oneself and others; the noble eight-fold path articulates wisdom, ethical conduct and mental development to support one's entry into that liberating stream and continuous progress along the path to Nirvana; and of course Buddhists take refuge in their community of believers as well. So here, too, we find practices that interdependently nurture various dimensions of being alongside spiritual development. Why is charity and concern for the needy one of the five pillars of Islam? Why do Hindus believe both physical discipline and mental discipline can transform awareness? Why do Sikhs believe that kindness and selfless service encourage spiritual progress? In nearly every tradition we can see a similar pattern: the spiritual dimension of being does not exist in a vacuum, it is

supported and sustained by other dimensions.



Integral Lifework expands on this principle. Not only are all dimensions of being equally important, but they radiate outward across concentric boundaries of our existence. That is, every dimension within correlates with broader and broader arenas of intention and action, so that each conscious choice – and each unconscious expression of personal will – is eventually manifested in ever-expanding ripples. As within, so without – with the caveat that there is an overarching intention that necessarily subordinates all other motivations. We will discuss this intention later on. But in order to appreciate the relationship between the many dimensions of being and how they radiate outward, we first must define what those dimensions are, and what effective nourishment looks like. Then we can appreciate how, when all dimensions are fully nourished, each aspect of being supports, sustains and evolves every other. And finally we can explore the governing intentionality that fans this energy from a smoldering spark to a continually unfolding flame.

Here is a brief overview of the thirteen dimensions as they are defined in Integral Lifework. These aren't intended to be rigid (or even complete), but are merely placeholders for concepts observed in my work with clients and students that help define mutually supportive structures of being. Integral Lifework asserts that balanced, multidimensional nourishment must be occurring to encourage healing, growth and transformation in each of these dimensions. Evolution of being is defined through harmonious nurturing of all dimensions, beginning with self and expanding outwards as a natural consequence of disciplined effort. When any one dimension is neglected, it tends to undermine all others, which once again is why holistic balance is critical to sustaining both growth and effectively compassionate action.

***The thirteen dimensions of Integral Lifework:***

**Healthy Body.** Sustaining and strengthening our physical being through conscious patterns of diet, exercise, sleep and other key factors uniquely suited to who we are. What this looks like will vary from person to person, but one key component is listening to our own body's promptings to know what is really the most nourishing.



**Playful Heart.** Maintaining healthy emotional expression and connection with our inner life, and engaging in regular playfulness and creative self-expression from day to day. Once again each person will benefit from different avenues of play and creativity, and once again we must learn how to listen to our own heart's joys and longings, and be guided by them here.



**Supportive Community.** Inviting love and acceptance into our lives, both in what we receive from others, how loving and accepting we are of others, and how actively we participate in our community. This will also look different for each person – and for the same person over the course of their life.



**Expanding Mind.** Building, broadening and routinely stimulating our knowledge, understanding and mental capacities and abilities. For one person this may mean regularly researching new topics of interest; for another it may mean having spirited discussions with friends; for another this nourishment may take the form of watching plays or films that challenge their perspective, or reading books that stretch their imagination; for another this may mean playing chess. It will be different for everyone, with the shared result of sharpening and strengthening mental faculties.

**Fulfilling Purpose.** Discovering and actuating a satisfying life-purpose that is perfectly matched to our authentic self, and which supports the focus, strength and healthy expression of our personal will. This may be a lifelong pursuit, expressing itself in many stages and transitions, but the fundamental act of exploring activities and interests that resonate with our essence – that strongly persuade us of what is most meaningful to us by inspiring and energizing our efforts – is the core nourishment practice here.



**Authentic Spirit.** Establishing and increasing our connection and interaction with the ground of being –

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described in different traditions as the fundamental essence, spiritual energy, potential for liberation, or divine nature of reality – and translating that deepening connection into a spiritually authentic life. This, too, will be different for each person, and may require years of exploration and experimentation with different spiritual disciplines to fully appreciate and understand. This does not mean, however, that we need to become religious or subscribe to some established belief system, just that we explore and sustain this dimension of being. As with all other dimensions, there are suggestions for how we can achieve this within Integral Lifework, but each person must find their own way.



**Restorative History.** Acknowledging, honoring and, when necessary, reprocessing all the experiences of our lives – whether remembered or forgotten, integrated or rejected – that have contributed to our current state of being; every significant relationship, trauma, milestone, accomplishment, perception or influence that has led us to the present moment. There are specific practices suggested within Integral Lifework to accomplish this, but once again how this dimension is nourished will be different for each person. For some this may require heart-to-heart conversations with family members. For others this may mean reviewing life experiences and how they have shaped self-concept. And for others this dimension may be so traumatic or confusing that it requires the assistance of professional therapy. But, like all the others, it is essential to wholeness and well-being.



**Pleasurable Legacy.** Creating and sustaining new life, pleasurable experiences that are shared, and an enduring and positive impression on our world, while at the same time maintaining a sense of safety and stability for ourselves and those we love. For many people this dimension is all about creating a home and having children – who in turn are encouraged in turn to create a home and have children of their own. But there are many other ways this dimension can be effectively nourished. For one person this may entail writing novels. For another this may involve a lifetime of community service. For someone else this may mean being an educator, or establishing some sort of business or nonprofit organization, or perhaps inventing some kind of helpful technology. But all of these avenues share the characteristics of both being pleasurable for the individual, and sharing that pleasure beyond one's own lifespan. The synthesis of pleasure and legacy is nourishment for this dimension.



**Flexible Processing Space.** This means being able to regularly and effortlessly transition through different modes of processing, with each centered in different facets of our being – the heart, mind, body, spirit and soul – so that we fully nourish those facets and create transparent access to the insights, wisdom and discernment each has to offer. In part, this is learned through nourishing all the other dimensions of being. But there are also specific practices (including mental, emotional, physical and spiritual disciplines within Integral Lifework) that encourage in-depth exposure to each type of processing, and a means of effortless transitioning between them.



**Empowered Self-Concept.** This dimension is about understanding what we think about ourselves, how we feel about ourselves, and how we arrived at those conclusions. Here we expand our self-awareness, explore our self-worth, and define what it means to live our lives effectively – that is, to achieve what we set out to achieve and successfully navigate the complex world around us. So nourishment in this dimension is as much about looking inward as it is about looking outward at the consequences of our actions; it equally emphasizes how we subjectively perceive ourselves, and how we can concretely measure our effectiveness in the mysterious task of living.

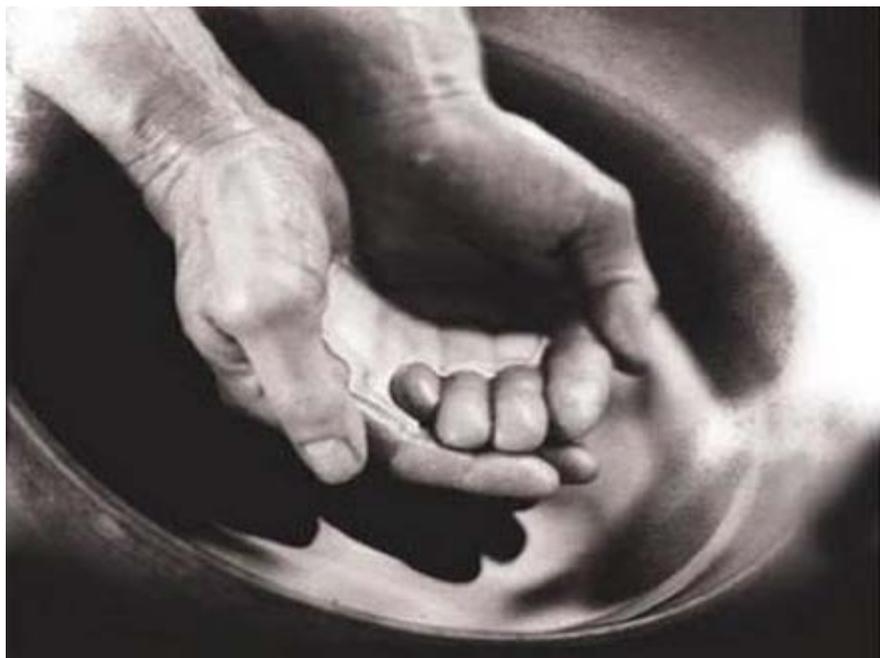
**Satisfying Sexuality.** Here we explore the nature of our own sexuality. What does sexual gratification feel like for us? What does intimacy look like to us? How do sexuality and intimacy intersect for us? How do sexuality and intimacy express themselves in our relationships? Answers to these questions will vary for each person, so nourishment will look different for each person as well – and it will inevitably change over time. But the more clearly we can answer these questions, the more effectively we can nurture this dimension.

**Affirming Integrity.** This involves consciously aligning the unfolding essence of our being with our thoughts, feelings, words and actions, so that how we are from moment to moment authentically reflects who we are in our innermost depths.

**Artful Will.** Entering the calm, quiescent flow of our most creative, affirming and compassionate intentions;

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actualizing what we envision and cherish in our heart-of-hearts so that life, laughter, love and liberty thrive for our being, ultimately amplifying the good of All in everything we do.



What do I mean by "effective nourishment" of thirteen dimensions? Each facet of the whole requires its own focus – its own special flavor of energy and effort – and the descriptions above make much of this self-explanatory. But there are other, less obvious characteristics of effective nourishment as well. For instance, there is a Goldilocks zone for each dimension, a virtual space between deprivation and indulgence that provides optimal support, and although this will be different for each person, it is important to cultivate a Goldilocks zone in every dimension. There is also a component of dialectic tension that establishes push-and-pull stimulation for each type of nourishment. Like tides moving up and down a beach, the energy of that tension stimulates growth and change. For example, the tension between rest or relaxation and vigorous exercise for a Healthy Body, or the tension between creative self-expression and appreciating and internalizing the creative expressions of others in Playful Heart.

There are also certain qualities of connection, openness, intimacy and relationship that must be present in each dimension for it to be nourished; like an inner family of hungry kids, we must help them care for themselves and each other, and sincerely care about themselves and each other. And although Integral Lifework begins as a series of nourishment routines that target particular dimensions, its ultimate objective is harmonized nourishment of the whole through integral practice. That is, to cultivate habits, activities and patterns of thought and emotion that nurture many dimensions at once in the most balanced and loving ways. Harmonious interplay is the final most critical characteristic of multidimensional nourishment. There are many additional components of essential nourishment, but these few are key.

At first all of this may sound a bit overwhelming, but one of the delights of holistic nourishment is that simply

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becoming aware of all thirteen dimensions and their importance is a significant step towards wholeness. To whatever degree we can include the care and feeding of these thirteen inner selves in our daily routines, we will begin to create synergies and harmonies that nourish and sustain the whole in unexpected ways. This care and feeding may begin as the targeting of just one or two undernourished or neglected dimensions, and developing slowly from there. And of course there are many activities that will nurture more than one dimension at once – sometimes all arenas can even be nourished at the same time. All regular self-care has unintended cross-pollination, even if we are not conscious of it. Eventually, when all thirteen dimensions come into balance, something miraculous happens...but I'll expand on this in a moment.

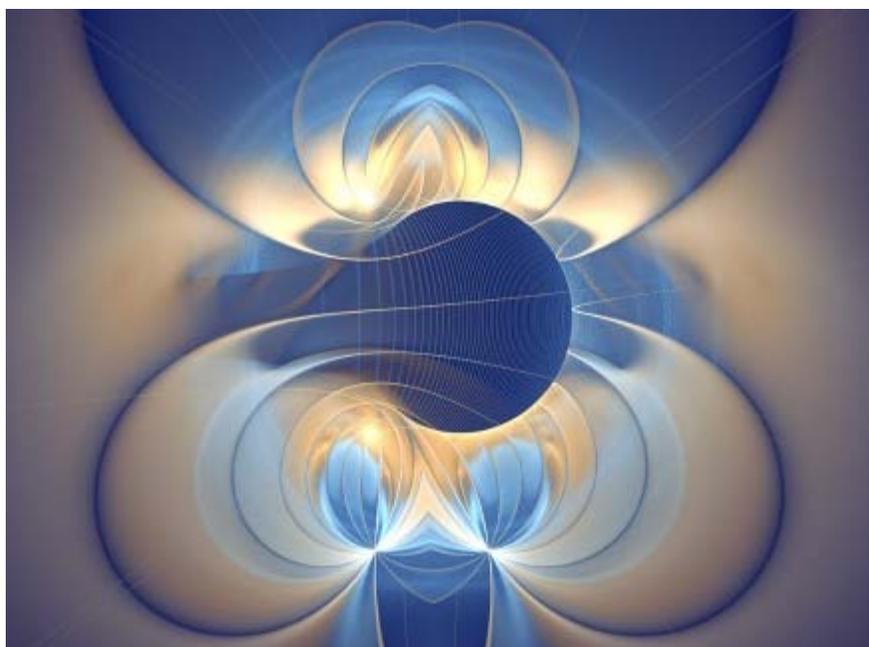


I began this article with the assumption of certain peak experiences of consciousness, experiences most often associated with spiritual disciplines, and frequently described as mystical ahas. It is my contention that these experiences will not translate into persisting modes of being, or even inform moral character and development, without the concurrent nurturing of all other dimensions. That is, they will not contribute to enduring shifts in consciousness unless that consciousness is supported by balanced, holistic nurturing. Why? Because all thirteen dimensions are interdependent. None can thrive in isolation – indeed there's a real question of whether they exist independently at all. So the idea that supportive structures are necessary to heal and grow in any dimension of being is inherent to Integral Lifework. In this sense, "integral" is not an invented prerequisite but a de facto assumption about the nature of human experience and potential. We are integral beings who require integral nourishment, and our spiritual dimension is part of that mix.

The intimate interdependence of all thirteen dimensions is easily recognizable. For example, if we persistently neglect any of these dimensions to an extreme degree, others will be impaired. If we're always depriving our body of sleep, nutrients and exercise, our ability to think clearly will be compromised, and we may experience physiological depression or severe emotional depression. If we deprive ourselves of healthy relationships and

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social contact for too long, our physical and mental health will deteriorate. If we avoid working through childhood trauma or dysfunctional family-of-origin issues, we'll almost certainly sabotage our most important relationships as we reenact unresolved confusion, grief and pain. If we cannot follow through on commitments we make to ourselves and others – or we are unable to align our thoughts, feelings and actions with each other – then that lack of integrity will undermine our plans and rob us of our goals. If we do not feel empowered, or haven't discovered our purpose, then our energies will keep dissipating and our efforts will feel incomplete. If we cannot achieve a modicum of flexibility in how we interact with ourselves, others and the world around us, our rigidity will narrow our experience and prevent us from coping with stress, unforeseen outcomes or sudden change. And of course the neuroses resulting from repressed sexuality are well-documented. In all of these cases, each dimension of nourishment is part of the support for all of the others; to neglect one is to neglect them all.



Thus aspirations in any dimension require the support of all the others, and healing in any one dimension likewise requires attention to balance and harmonization. It is in fact quite surprising how subtle relationships between nourishment centers can be. For example, that someone who has struggled with years of disrupted sleep may quickly resolve the issue by nurturing Playful Heart; or that someone struggling with compulsive thoughts can attenuate them by giving Healthy Body more attention; or that someone who has been clinically depressed for many years finds relief attending to Pleasurable Legacy. These are not rigid, one-to-one correlations that apply universally, but in working with many clients and students it has become increasingly clear to me that undernourishment in one dimension leads to seemingly unrelated challenges or compensations in other dimensions. Thus the easiest path to healing and wholeness is simply to offer loving attention to all these inner selves.

So now we have defined (albeit briefly) thirteen dimensions of being and the nature of nourishment. Returning

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to a mystic's call to action, how does multidimensional nourishment radiate outward? What do the widening arenas of action and intention look like? Further, how does this influence ongoing nourishment, growth and transformation?

In the wonderfully diverse creativity of human experience, thirteen dimensions of being will radiate differently for different people. There are, however, some observable trajectories that tend to be shared. For instance, Playful Heart often finds its next emanation in creative hobbies or artistic professions that involve others, are displayed and performed for others, etc. Healthy Body might enlarge itself by joining an exercise group, participating in a dance class, playing community sports, or competing professionally. Restorative History may lead to healing that involves an entire family, mutual support groups, or somehow sharing a personal restoration process with others. Satisfying Sexuality has often been confined by social mores to intimate relationships, but has also found more diverse expression in certain spiritual traditions and societal practices. Flexible Processing Space can propagate as new work habits, or even whole new work cultures, where each processing space is deliberately honored throughout the workday. For many people, Pleasurable Legacy is focused on creating a biological family and providing stability and opportunity for that family, but it could also manifest in some area of creativity, engineering, philosophy or other discipline. Expanding Mind can radiate through any media (including this one) to encourage that dimension in everyone who encounters it. A Supportive Community may be a few select friends, a larger group, a regional club, a national organization and so on. Authentic Spirit tends to amplify itself through developing spiritually-centered relationship with other people, society, Nature, other beings and other realms of existence, and so on. Affirming Integrity may propagate outward as cultivating more supportive friendships, community activism, choosing a profession that aligns with personal values, or consciously asserting when and how to conform to societal expectations.



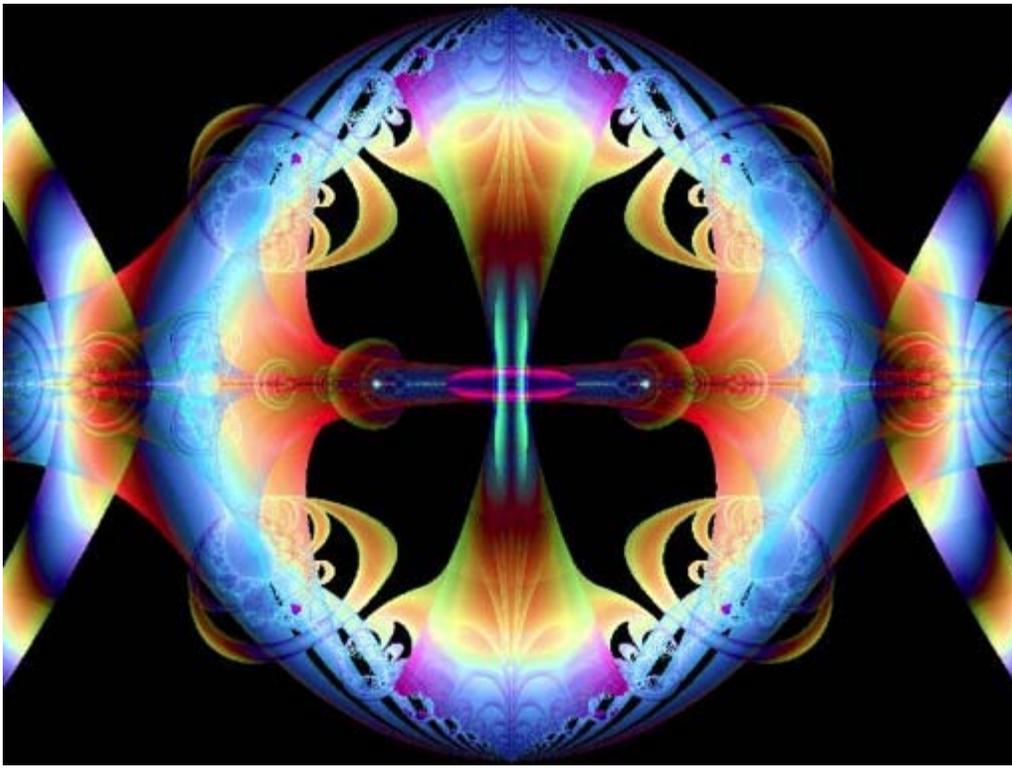
For all dimensions, the natural expansion will have a unique flavor, frequency and resonance that remains consistent through widening arenas of intention and action. That is, the broadcasting of nourishment beyond ourselves will always reflect our underlying motivation and the stage of our interior evolution. Whenever we jump ahead of ourselves – pursuing some realm of idealized activism that is not grounded in our interior development – we will rapidly become depleted in many dimensions at once, and our actions and intentions will tend to be undermined or sidetracked. They will, in effect, become unsupported facades of overextended effort. Many people may already recognize this in their own experience. On the other hand, when all of our efforts naturally arise from the interior momentum of an evolution of being that is focused by an overarching intention, our actions flow more spontaneously and cultivate harmonies and energies that are otherwise inexplicable. And why does this occur? Because all of our dimensions are working together to fulfill a conscious volition that is in harmony with unconscious patterns of being – that agrees with and supports all dimensions at once.

The process of expansion is difficult to appreciate in the abstract, so here's an example. Let's say I am passionate about musical self-expression. I could focus all of my energies on furthering that passion in every waking moment, to the exclusion of all other dimensions. However, what really feeds and supports my musical proclivities? Is it just sitting alone in a sound-proof room, cut off from the world, perfecting some new fingering technique on my favorite stringed instrument? Well, that is part of my passion, to be sure. But in and of itself this would be unsustainable. For music requires many other streams of input and expression, of varying importance for different people. I require food and sleep, of course, but also social interaction and exposure to new musical ideas. I'm inspired by the excellence of other musicians, by new sounds and musical patterns, and by familiar musical styles and themes – my favorite companions since I was a child. I also need to rest from musicizing to provide space for my heart, mind, body and spirit to expand into new fields of experience and absorb new stimuli. If I were focused solely on practicing or producing music all of the time, I would be confining all dimensions of my being to a single point, rather than to an infinite openness of ever-expanding possibilities.

So this is how my musical passions are nurtured and sustained. How do they then expand into new arenas of intention and action? As my musical mind intersects with other dimensions, they naturally find new expression in radiant trajectories. In a community of like-minded musicians. In online resources for music appreciation. In new collaborations and mutual inspirations. In new avenues of performance or sharing – a house concert, posting my music on the Internet, in writing a piece that other musicians perform, etc. And this, in turn, creates a natural resonance with broader efforts to propagate and support musical experiences. Perhaps via political activism that encourages government grants for the arts, or involvement in charities that provide musical opportunities for underprivileged kids. However, if I do not continue to balance and harmonize multidimensional nourishment, my efforts will constrict rather than expand; either I'll tend to return to smaller circles of propagation, or I'll disconnect from the foundations of my own musical passions. If I'm out of balance, I'll overextend myself beyond my own energies, or collapse into the smallest confines of personal ego.



This musical example illustrates how one dimension, Playful Heart, amplifies itself through particular talents, strengths and personal vision. Other dimensions will extend outward in similar ways, tuning themselves to an individual's journey without a rigidly predictable pattern of expression. Yet all dimensions begin their expansion as first order propagations, where personal nourishment is shared in relationship with loved ones, collaborative exchanges, and communities of various scope. Then the ripples expand into larger and larger systems of interaction. Into politics and government, economics and monetary systems, public education and workplace training, international commerce and law, and so on. What would a form of capitalism look like that honors all thirteen dimensions of being? How would civic institutions be structured if they nurtured each dimension? How would mass media be shaped by balanced, harmonized consideration of all thirteen aspects? And what if every child learned about these dimensions at an early age, and were encouraged to cultivate them throughout their entire educational experience? How might local, regional and national legislation be shaped through awareness and caring for these thirteen dimensions? As the individual is healed, nurtured and transformed through integral awareness and discipline, so the family, community, region, nation and world can likewise be healed, nurtured and transformed through cascading outgrowth of an initial spark. And that initial spark rises and flourishes within a multidimensional interiority that is holistically supported.



How then does integral nourishment create transformative impacts? How does it contribute to any sort of evolution? Primarily this occurs through spontaneous, unexpected synthesis. There is once again little predictability in how any system will evolve, but the presence of fully charged dimensions offering maximum support for the next synchronistic leap is a confirmable outcome of this kind of integral practice. Enabling the harmonious interplay and enrichment of all facets, while at the same time consciously and unconsciously enlarging their expression in broader arenas of intention and action, excites inexplicable and far-reaching exchanges. It helps energize the patterns that inevitably lead to evolution. Is this change always constructive or positive, in some absolute sense? From my experience and observation, that is not the case. Instead, there is an ebb and flow of what subjectively appears to be constructive and destructive, failure and recapitulation, regression and advancement, which all contribute to a secondary, mainly unperceivable process. That secondary process is, for all but the most prescient, only observable in extended retrospect. It does possess a certain subtle forward movement – individually, collectively and universally – but we could say that movement is measured either in millimeters over eons, or eons over millimeters; either in events too subtle to be recognized, or contextual changes so vast they are presumed to have always existed. This is why any wisdom in-the-moment that intuits such movement, or patterns of action that skillfully align with the underlying arc of evolution, so often seem foolhardy, impractical or contrary to status quo presumptions.



As indicated earlier, experience and observation has persuaded me that an overarching, governing intentionality is necessary for cascading propagations of being to be sustainable and effective. The intention I believe to be ideal is a commitment to the good of All. This "All" includes everything and everyone...all of existence. The "good" is not a specifically defined set of specific outcomes or conditions, but an all-encompassing focus of personal and collective will. Who can claim to know in any absolute sense what is really best for everyone and everything in a given moment? Instead we can encourage every thought, feeling and action to align with a generalized, deeply felt positive intention. And we can sincerely, openly, courageously and passionately seek out what "the good of All" means in each moment. We can be devoutly committed to the best possible outcomes and conditions for the largest, most inclusive group we can imagine.

At first this may seem a bit vague or wishy-washy, but really it is quite specific. The difficulty in describing this motivation is that "the good of All" is a felt sense that is experientially learned. We could say it is grounded in universal compassion, or that it emerges spontaneously out of unconditional love, or that it involves attenuation of personal ego...but what does any of this really mean? Without experiencing this as a felt sense – a condition of the heart – it is challenging to define and promote. One of the Integral Lifework practices that helps cultivate this intention is a simple gratitude exercise: to sit still in a quiet place with eyes closed, breathing evenly and deeply, and gently encouraging feelings of gratitude to grow within. For some, imagining a gradually expanding point of warmth or light in the center of the chest helps amplify this mediation. For others, repeating a mantra of "thank you" over and over again is useful. Eventually, if we practice this daily for fifteen minutes or more, an intuition of what "the good of All" looks like for us personally will begin to take shape.

The guiding intention of the good of All is an article of faith, inspired by love, pragmatism and the aforementioned wisdom-in-the-moment. With it we can consecrate every effort to an ineffable hope, through a

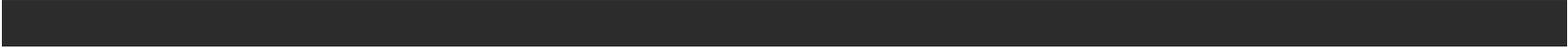
## A Mystic's Call to Action

felt affection and goodwill toward All that Is. This can be as simple as prefacing each choice with a heartfelt "may this be for the good of All." And this orientation can be reinforced many different practices – especially explorations of Authentic Spirit. In fact, for me and many other mystics, such a governing intentionality has been a natural consequence of spiritual nourishment; the very unitive, blissful affection that spurs loving action towards others is an indelible characteristic of mystical ahas. But at the onset of any disciplined self-care, cultivating this guiding intention has tremendous benefit. At its heart this orientation nudges us into ever-more-inclusive contexts for our efforts, inspiring insights and energies that synchronize with advancing moral development.

Is all of this a purely romantic vision of mysticism, integral practice and holistic development? Is it just a magic trick of the mind, a creative fantasy that constructs meaning where none actually exists? Perhaps this is the case, though my own experiences and observations suggest another possibility: that such a framework is necessary for the multidimensional maturation of the human species, its short term success, and even its long term survival. It is my belief that the Universe will continue to change and evolve with or without our conscious participation, but that we have an opportunity to contribute if we choose to do so. Integral Lifework is one avenue of choice. There are many others – nourishing thirteen dimensions is not an exclusive approach – but the mystery of ever-enlarging propagation of goodwill is grounded in a journey of individual and collective wholeness. And if we do not choose to participate in some way, to contribute to the evolutionary process with the miracle of consciousness, I suspect humanity will lapse into one more dry creek bed among the many tributaries of being. We may perish, not through our reckless spirit of adventure, but from a paucity of love. So, in choosing to participate, my hope is that our species will endure long enough to witness the next great event horizon, and to celebrate the wondrous surprise waiting just beyond our comprehension.



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# Level - 7

## Tools For A New Political Economy

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## Natural Opposition to Level 7 Proposals

There is an unfortunate intersection of influences and forces that naturally oppose Level 7 — we know this because they have opposed elements of Level 7 that have already been implemented around the world. Remember that a central goal of Level 7 proposals is to diffuse and distribute power and wealth in society. This directly at odds with the agendas of many established and aspiring wielders of power and wealth who wish to consolidate or improve their position. As one might predict, such powers-that-be have not reacted favorably to previous experiments involving more egalitarian civil society and self-governance. Mass society experiments such as the Korean People's Association in Manchuria, the Free Territory of Ukraine, Guangzhou City Commune in China, and Revolutionary Catalonia in Spain were all brutally undermined and oppressed by those who desired more centralized political and economic control. With such history in mind, we can be fairly certain that a similar intensity of resistance, disruption and opposition to Level 7 proposals and philosophies would be actively engineered by the current stakeholders of plutocratic crony capitalism.

So far, the nexus of forces sharing these oppressive and disruptive characteristics includes:

- ***“Active Measures” of Russia and other State-Sanctioned Information Warfare Efforts***
- ***Passive Resistance of the Status Quo***
- ***Neoliberal Propaganda***

After some brief descriptions of this opposition, we'll discuss why it occurs so naturally...and how it can be countered.

# активные мероприятия

## Tehniques

- Hacking & Publicizing Sensitive Information
- Generating Fake News & Conspiracies
- Using Bots and Trolls to Influence Social Media
- Deceptive Ads on Social Media
- Cyber Attacks on Elections, Media & Infrastructure
- Recruiting Conspirators & "Useful Idiots"

## Captured & Complicit Media

- InfoWars
- Breitbart
- Russia Today (RT)
- Sputnik News
- USA Really
- The Sun
- Fox News
- Facebook
- Twitter

## Political Affiliations & Influence

- Alt-Right (USA)
- NRA (USA)
- Republican Party (USA)
- Green Party (USA)
- Alternative for Germany (Germany)
- National Rally (France)
- Northern League (Italy)
- Five Star Movement (Italy)
- United Russia (Russia)
- Freedom Party of Austria (Austria)
- Jobbik (Hungary)
- Fidesz (Hungary)
- Sweden Democrats (Sweden)
- Vlaams Belang (Belgium)
- Change Party (Poland)
- Harmony Center (Latvia)



## Conspirators & "Useful Idiots"

- Steve Bannon
- Michael Flynn
- Robert Mercer
- Paul Manafort
- Donald Trump
- Rex Tillerson
- Jared Kushner
- Dimitri Simes
- Dana Rohrabacher
- Jill Stein
- Alex Jones
- Sean Hannity
- Andrew Napolitano
- Richard Spencer
- Julian Assange
- Faubian Baussart
- Russian Oligarchs
- Maria Butina
- Boris Johnson
- Arron Banks
- Michael Gove
- Heinz-Christian Strache
- Viktor Orbán
- Mateusz Piskorski
- Igor Dodon
- Olena Boyko

## Corporate Partners & Facilitators

- SCL Elections
- Cambridge Analytica
- AggregateIQ
- VTB Bank & Alfa Bank
- FL Group
- Gazprom & Rosneft
- ExxonMobil
- Boeing
- Morgan Stanley
- Ford Motor Company
- General Electric

## Russian Government Agencies

- FSB (Federal Security Service)
- GRU (Military & Foreign Intelligence)
- Internet Research Agency

TCL WWW.LEVEL-7.ORG 2018 v1b

## State-Sanctioned Information Warfare

The objectives of State-sanctioned information warfare are simple: **confuse, occlude, divide...and conquer**. By fabricating highly toxic disinformation, and then carefully targeting groups with shared geographical, racial, economic or ideological affinities, these well-funded programs can achieve profound disruption within populations

## L7 Opposition

both large and small. How is such disruption engineered? By effecting one or more of the following objectives:

**1. Deepen and exploit existing divisions within a given population.** That is, capitalize on preexisting fears, prejudices, hatred and suspicions, and amplifying them to a fevered pitch, *with the express purpose of undermining a perceived enemy's systems, policies, intellectual capital, economy, civil society and global political capital.*

**2. Create new divisions.** Fabricate new outrage, anxiety, hatred and fear around anything that might actually strengthen a perceived enemy's economy, civic institutions, global political capital, and intellectual capital.

**3. Invent boogeymen, scapegoats and conspiracy theories that energize propaganda campaigns.** The oldest trick of this particular trade is to create a fictional "source of all evil" in the world, attribute as many real and fabricated problems and fears as possible to that source of evil, and then incite folks to actions against it — where the actions in fact are intended to worsen their situation.

**4. Aggressively discredit, disrupt or silence anything and anyone that effectively undermines efforts 1-3 — including trusted civic institutions.** For example, dismissing authentic journalism as "fake news," discrediting legitimate academic research as biased or deceptive, accusing legitimate criminal investigations of being "witch hunts," legitimate laws as "unjust" or fulfilling some hidden agenda, fair judicial rulings and judges as being "biased" or "corrupt," legitimate elections as "fraudulent," and any attempts to control virulent propaganda as "violating free speech." Unfortunately, such efforts can cross over from mere character assassination to imprisonment or actual assassination, as many journalists, politicians and activists in places like Russia, China, Iran, Pakistan and elsewhere have experienced. As is plain to see, all such efforts remain focused on undermining legitimate systems, policies, civic institutions, political capital, knowledge, *and indeed the concept of legitimacy itself.*

**5. Continuously perpetuate confusion around what are true facts, and what are false fictions, over many years...even decades.** Using fake news outlets, high profile "useful idiots" with status and influence, social media "troll farms" and bots, conspiracy or fringe ideology websites, and by tricking legitimate news media into repeating the propaganda.

### What Are Some Examples?

What follow are examples of documented efforts (see "Resources" section at the bottom of this web page) of State-sanctioned information warfare in the form of fairly *successful* disinformation, divide-and-conquer and conspiracy strategies. At the present time, the boldest activities seem to issue from Russia, under the direction of ex-KGB intelligence officer Vladimir Putin. There are certainly other efforts in play — from China, Iran, North Korea, Israel and others — but these seem to be more focussed on economic disruptions and espionage, military intelligence, and so on. As far as we know, only Russia seems to have perfected the art of shaping public opinion via cyber and information warfare. These are some of those Russian disinformation efforts:

## L7 Opposition

- CIA linked to JFK assassination (Russian KGB, 1967)
- AIDS caused by U.S. military experiments (Russian KGB, 1983)
- Malaysia Flight MH17 shot down by Ukrainian missiles (Russian government-controlled media, 2014)
- Coordination and funding pro-Brexit campaigns in UK (Russian government, 2015-2016)
- “Pizzagate;” Hillary Clinton running child porn ring from basement of pizza parlor (Russian government-controlled media, Russian government social media ad campaigns and troll farms, 2016)
- Fake “astroturf” pro and con rallies, organized via social media, to pit U.S. voters against each other and promote the candidates and causes preferred by Russia (Russian government social media ad campaigns and troll farms, 2016)

## What Are Some Common Sources of Disinformation Today?

The following media sources are known to initiate or propagate fabricated conspiracy theories and disinformation that often serves foreign State interests:

- [RT.com](#) (*Russia Today, RT News*)
- [SputnikNews.com](#) (*Sputnik News, formerly RIA Novosti and Voice of Russia*)
- [Infowars.com](#) (*InfoWars*)
- [USAREally.com](#) (*USA Really*)
- [TheSun.co.uk](#) (*The Sun*)
- [Voltairenet.org](#) (*Voltaire Network*)
- [FoxNews.com](#) (*Fox News*)
- [Breitbart.com](#) (*Breitbart*)
- [Facebook.com](#)
- [Twitter.com](#)
- [Instagram.com](#)

## How Can We Resist Information Warfare?

A helpful inoculation against information warfare is knowing how to obtain good information, and constantly keeping ourselves accurately informed. The following resources may be helpful in this regard:

- [Worldpress.org](#) (*World Press Review* — includes different perspectives from all around the globe)
- [News.Gallup.com](#) (*Gallup News; see also Gallup Reports*)
- [Reuters.com](#) (*Reuters*)
- [ICIJ.org](#) (*International Consortium of Investigative Journalists*)
- [Opensecrets.org](#) (*Open Secrets*)
- [Hoax-Slayer.com](#) (*Hoax Slayer*)
- [Politifact.com](#) (*Politifact*)

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- [Snopes.com](http://Snopes.com) (*Snopes*)
- [Factcheck.org](http://Factcheck.org)
- [Economist.com](http://Economist.com) (*The Economist*)

Some additional sources that I personally like, but which do sometimes exhibit a Left-of-center, commercially-influenced, and/or Chomskyan “propaganda model” media bias:

- [Guardian.com](http://Guardian.com) (*The Guardian*)
- [Politico.com](http://Politico.com) (*Politico*)
- [NPR.org](http://NPR.org) (*National Public Radio*) and [PBS.org](http://PBS.org) (*Public Broadcasting Service*)
- [NYTimes.com](http://NYTimes.com) (*New York Times*)
- [TheAtlantic.com](http://TheAtlantic.com) (*The Atlantic*)
- [WashingtonPost.com](http://WashingtonPost.com) (*Washington Post*)

**In terms of evaluating the bias and reliable accuracy of a given news source, <https://mediabiasfactcheck.com> can be quite helpful, and I highly recommend it.**

Level 7 also proposes a [Public Information Clearinghouse](#) that could effectively address this issue as well, by vetting and rating the veracity of information and information sources, and providing sophisticated tools to search and sort that information.

Another consideration is appreciating the structural problems in news and information, a “propaganda model” that results from inherent corporate pressures and influences on the industry. Edward Herman and Noam Chomsky examine this in their book [“Manufacturing Consent: The Political Economy of the Mass Media,”](#) which is well worth perusing.

**Another helpful tool is to *simply relax the reflex of believing everything we hear*.** There is a phenomenon called [“the illusory truth effect”](#) that is astonishingly powerful. Without realizing it, when we hear something repeated over and over again from various sources, we begin to believe it is true. [Studies have shown](#) that even well-educated experts in a given field are susceptible to this effect, still coming to believe something that is not true after being exposed to it repeatedly. So simply being well-informed **is not enough**. We must also be vigilant about how we are constantly being manipulated, and consciously resist that manipulation. The chart below offers a few reminders of how to actively resist propaganda, and I would also offer my essay [“Sex at Dawn: The Fallacies of Simulated Science”](#) as a resource for some additional analyzing tools.

# END THE MADNESS

## How To Resist The Propaganda Machines That Are Manipulating You

### 1. Stop Believing and Repeating Sensational Stuff

If you can't confirm the facts yourself through multiple, independent and reliable sources, then don't believe it. Don't share it. Don't repeat it. Instead, research the truth.

### 2. Follow the Money

Want some insight into the agenda behind a source, authority, politician, think tank, news organization, talk show host or thought leader? Find out who pays them, and how much.

### 3. Ignore Ideology

Belief systems are just that. It may feel good to collect information and authorities that confirm a particular belief, but those good feelings are likely to lead to false conclusions. Instead, remain neutral and open.

### 4. Know You Are Always Being Manipulated

By advertisements, fake news, persuasive slogans, political pledges, corporate propaganda, statistics from think tanks - all of it is trying to trick you into accepting lies that serve hidden agendas, and to do things against your own best interests. Always.

### 5. Let Go Of Bad Ideas

If something isn't working, find a new way. Don't bother trying to repeat the same strategy or behavior and expecting something different to happen.

### 6. Be Curious Instead of Overconfident

The moment I neglect to question my assumptions is the moment I begin to make mistakes.

### 7. Watch Out for Strong Emotions

Strong emotions tend to lead to impulsive, ill-informed decisions. Wait for things to cool down a little before drawing a final conclusion.

### 8. Choose Your Tribe Wisely

Once you invest in a particular tribe, you'll want to be loyal to that tribe and agree with what they say...so be careful. Is there a lot of "Us vs. Them" rhetoric? Is there a demand for loyalty, exclusivity and conformance? Are there strong sentiments that "this tribe's way is the only way?" Then watch out. Try to find a tribe that subscribes to at least some of the goals in this list. Or maybe don't be a joiner at all....

### ***Passive Resistance of the Status Quo***

Essentially we are all a bit like David Foster Wallace's young fish. When an older fish swims by and says "Morning boys. How's the water?" one of the younger fishes turns to the other and says, "What the hell is water?" We just don't realize that we're operating on a cluster of automatic, unexamined, fairly unconscious assumptions in much of our day-to-day lives. And that unconsciously reflexive way of thinking and being creates tremendous *passive resistance* to more authentic, honest, truthful interactions with the world around us. So, for example, if we reflexively accept an "illusory truth," only because that false information has been repeated to us over and over again, then when we are confronted with contradictory but truthful information *we will automatically resist it*. In keeping with this pattern, one of the most potent disruptors of positive change is our individual and collective belief *that we can't change anything*. What we of course do not realize is that this belief is itself an illusory truth that was itself engineered: by the commercialist marketing of consumerism that invites us to solve all problems with goods and services we must buy; by representative forms of democracy that likewise expect us to invest in someone else's agency to govern our society; by our over-dependence on technology to think and choose and act on our behalf; by a culture of helpless, self-infantilization that cannot grow up and take responsibility for its own well-being. **However, if we can reject this externalization of our agency, we can become powerful influencers for change.** Indeed if we can just acknowledge that our habitual abdication of agency has become part of the water we are swimming through, we would recognize why it creates such tremendous passive resistance in us all.

(You can read more about a collective abdication of agency in ["The Underlying Causes of Left vs. Right Dysfunction in U.S. Politics"](#); also [The Spectacle](#) page, and the essay ["The Stupefaction of Human Experience."](#) can help frame the overarching themes of the passive resistance phenomenon.)

### ***Neoliberal Propaganda***

The larger issue of neoliberal agendas and methods are covered in the [Neoliberalism](#) page on this website. However, it is important to recognize that neoliberal propaganda follows many of the same patterns that we see in State-sanctioned information warfare — this is also about suppressing accurate information, and promoting false information, in order to further plutocratic concentrations of wealth and power. In fact, whether or not there is overt coordination and collusion, *the objectives and methods neoliberalism shares with State-sanctioned information warfare are producing similar outcomes*. Here is a quick summary with some examples:

- Generating [skepticism and doubt about legitimate science](#) (climate change, tobacco products, pesticides, ozone, etc.)
- Discrediting accurate information and information sources (accusations of fake news, media witch hunts, liberal bias, bribed experts and officials, alternate facts, etc.)
- Attacking and discrediting anyone who threatens neoliberal agendas (Bernie Sanders, Elizabeth Warren,

## L7 Opposition

Alexandria Ocasio-Cortez, etc.)

- Discrediting higher education, academic research, and K-12 curricula (conspiracies of “cultural Marxism,” liberal bias, revisionist textbooks, communist teachers, deliberate destruction of the nuclear family, promoting homosexuality, promoting atheism, etc.)
- Perpetuating neoliberal falsehoods in the hope of creating an *illusory truth effect* (“socialism has always failed wherever it was tried,” “markets are more efficient than government,” “trickle-down economics works,” “Ronald Reagan defeated Communism,” and so on)
- Misattributing the causes of social, governmental and economic problems — while frantically obscuring the actual causes — then implementing policies that force such false causation to become real (see [“The Problem of Virtual Causality”](#) essay for more detail)
- Astroturfing (Koch brothers coopting Tea Party movement, then bussing scripted voters to Obamacare town hall meetings; ExxonMobil pretending to be a private citizen to spoof Al Gore on YouTube; “Working Families for Walmart” blog really just being Walmart; Philip Morris using small business owners to front tobacco lobbying efforts, etc.)
- Countering most criticisms and concerns with [whataboutism](#), [false equivalence and false balance](#), [ad hominem attacks](#), and other related [logical fallacies](#)...rather than actually addressing the critique.

### ***Why Does This Opposition Occur?***

In Integral Lifework theory, there is a predictable progression of moral development that correlates with the levels of political economy. “Level 7” is fairly advanced, and relies on a majority of populations having reached collectively-oriented moral maturity. Populations and individuals at lower levels of moral development will understandably be antagonized, bewildered or confused by a more mature orientation — the same way a child may not understand or appreciate adult reasoning. This is why encouraging and nourishing individual development is so important: advanced political economies will not be sustainable without such nourishment and support. This is a primary aim of [Integral Lifework](#), which is why *individual development and supportive networking* are a key component of [Level 7 Activism](#). As a precursor and companion to revolutionary activity, Integral Lifework (or some other effective form of multidimensional nurturing) becomes an essential ingredient to countering opposition.

To appreciate the correlations between levels of moral altitude and levels of political economy, please consult this chart: [Integral Lifework Developmental Correlations](#).

### ***Resources***

<https://www.ribbonfarm.com/2018/11/28/the-digital-magnot-line/>

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<https://www.economist.com/briefing/2018/02/22/russian-disinformation-distorts-american-and-european-democracy>

<https://www.npr.org/2018/08/22/640883503/long-before-facebook-the-kgb-spread-fake-news-about-aids>

[https://en.wikipedia.org/wiki/Operation\\_Infektion](https://en.wikipedia.org/wiki/Operation_Infektion)

<https://www.pbs.org/newshour/arts/after-a-week-of-russian-propaganda-i-was-questioning-everything>

<https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol45no5/html/v45i5a02p.htm>

<https://www.nytimes.com/2018/09/25/technology/usareally-russian-news-site-propaganda.html>

<https://www.nytimes.com/2018/11/12/opinion/russia-meddling-disinformation-fake-news-elections.html>

<https://www.theguardian.com/uk-news/2018/jul/08/revealed-leaveeu-campaign-met-russian-officials-as-many-as-11-times>

<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomeds/363/36308.htm>

<https://www.theguardian.com/uk-news/2018/mar/24/aggregateiq-data-firm-link-raises-leave-group-questions>

<https://www.cnn.com/2018/07/18/opinions/vladimir-putin-and-his-useful-idiots-opinion-intl/index.html>

<https://medium.com/s/douglas-rushkoff/how-we-all-became-russias-useful-idiots-4df90bf9dea0>

<https://eurasianet.org/russias-new-useful-idiots>

<https://www.politico.com/magazine/story/2017/03/connections-trump-putin-russia-ties-chart-flynn-page-manafort-sessions-214868>

<https://www.greeneuropeanjournal.eu/the-kremlins-loyal-friends-in-europe/>

<https://www.forbes.com/sites/kenrapoza/2016/08/03/headline-halah-t/>

<https://www.forbes.com/sites/kateoflahertyuk/2018/05/03/cyber-warfare-the-threat-from-nation-states/#330ba8431c78>

<https://www.wired.com/2015/09/cyberwar-global-guide-nation-state-digital-attacks/>

<https://www.nytimes.com/interactive/2017/06/07/world/europe/anatomy-of-fake-news-russian-propaganda.html>

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<https://www.mediamatters.org/blog/2017/03/17/report-confirms-fox-news-napolitano-repeated-russian-media-his-british-intelligence-conspiracy/215751>

<https://www.motherjones.com/politics/2009/08/astroturf-20/>

<https://www.businessinsider.com/astroturfing-grassroots-movements-2011-9>



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# A Generative Model of Paulo Freire's *Pedagogical Love-in-Action*

(Derived from Smith-Campbell and Littles article at <http://www.praxisuwc.com/smithcampbell-et-al-141>)

## 5) OUTCOME OF PEDAGOGY OF LOVE

A more authentic, fully humanized and empowered being,  
whose understanding of values, the nature of knowledge, and  
sociopolitical realities ***are rooted in pedagogical love***

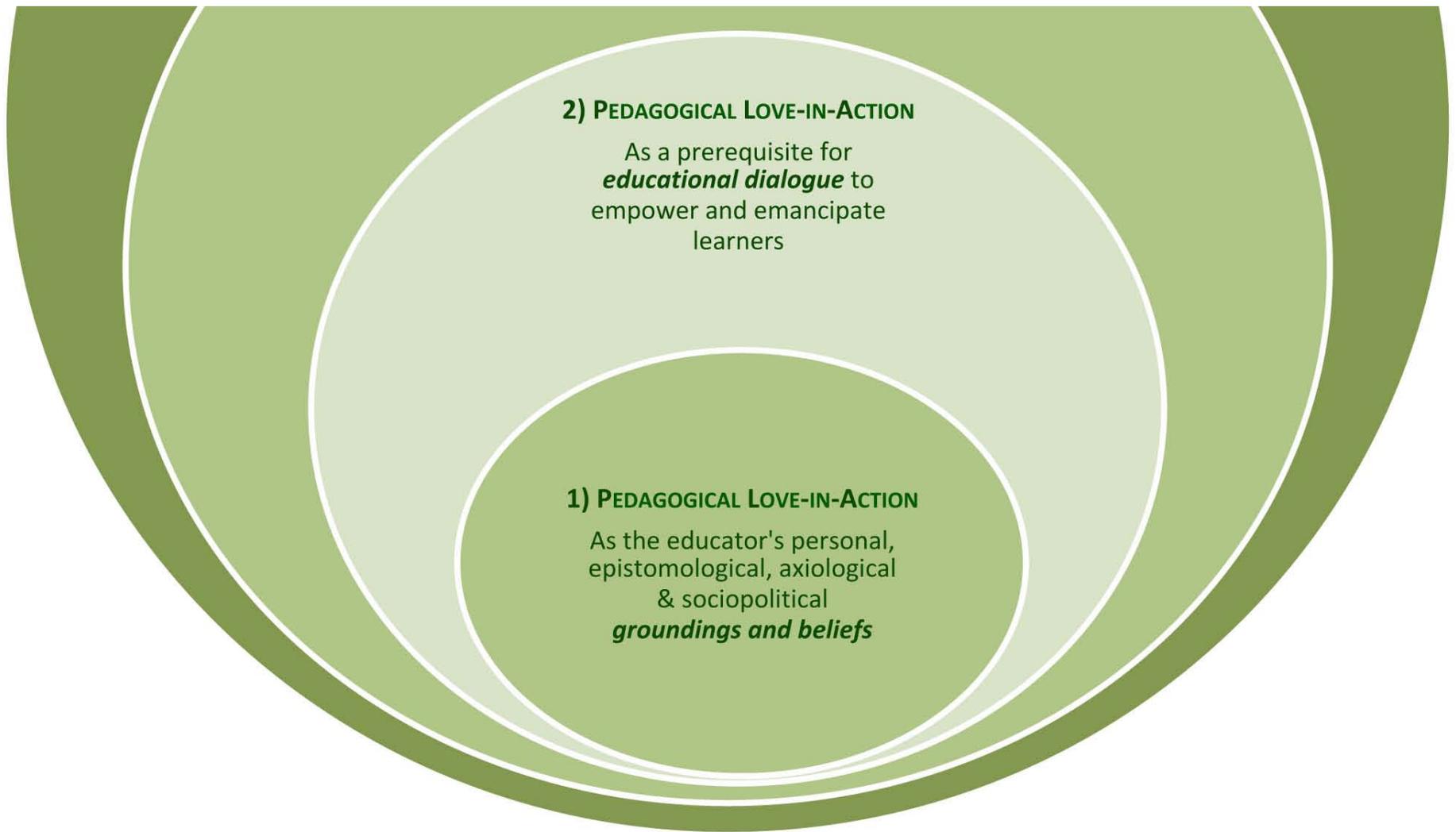
*(i.e. egoless agape; Kohlberg's "justice;" Kierkegaard's "love thy neighbor as thyself")*

## 4) PEDAGOGICAL LOVE-IN-ACTION

As a continued part of an  
education based on dialogue and  
critical consciousness that moves  
learners toward a self-liberating  
form of critical awareness,  
***which in turn leads to praxis***  
*(action & reflection)*

## 3) PEDAGOGICAL LOVE-IN-ACTION

As the engine that generates an  
ongoing, continuous, enriching  
educative process of dialogue,  
***that leads to personal critical  
awareness & critical  
consciousness***



Modified chart of original taken from Smith-Campbell and Littles (2015) <http://www.praxisuwc.com/smithcampbell-et-al-141>

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## True Love: Integral Lifework Theory & Practice



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## Being Well: Beginning the Journey of Integral Lifework



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## About T.Collins Logan

**T.Collins Logan** is the creator of the [Integral Lifework](#) system of transformative practice, which eventually led him to formulate **Level 7** approaches to political economy. He has worked in the fields of patient advocacy, health education, life coaching, mentoring and alternative healing arts for over twenty years. He is a lifelong student of philosophy, psychology and diverse faith traditions, and has authored several books and essays on psychology, wellness, mysticism and political economy.

A San Diego resident since 2002, **T.Collins Logan** is an avid hiker, photographer and explorer of new ideas. He enjoys spending time with loved ones, inventing food dishes, appreciating art, working on home improvement projects, playing music, fiddling with computers and new technologies, keeping up with world events, and spending quality time with Nature.

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## Visual Education Aids

An ongoing collection of graphics, charts and other visual representations of important concepts in **Level 7**, including:

*On Critical Thinking*

*The Spectra of Political Economy*

*Cycle of Change*

*Freire's Pedagogy of Love*

*Arnstein's Ladder of Citizen Participation*

*Ending the Madness (How to Resist the Propaganda Machines that Are Manipulating You)*

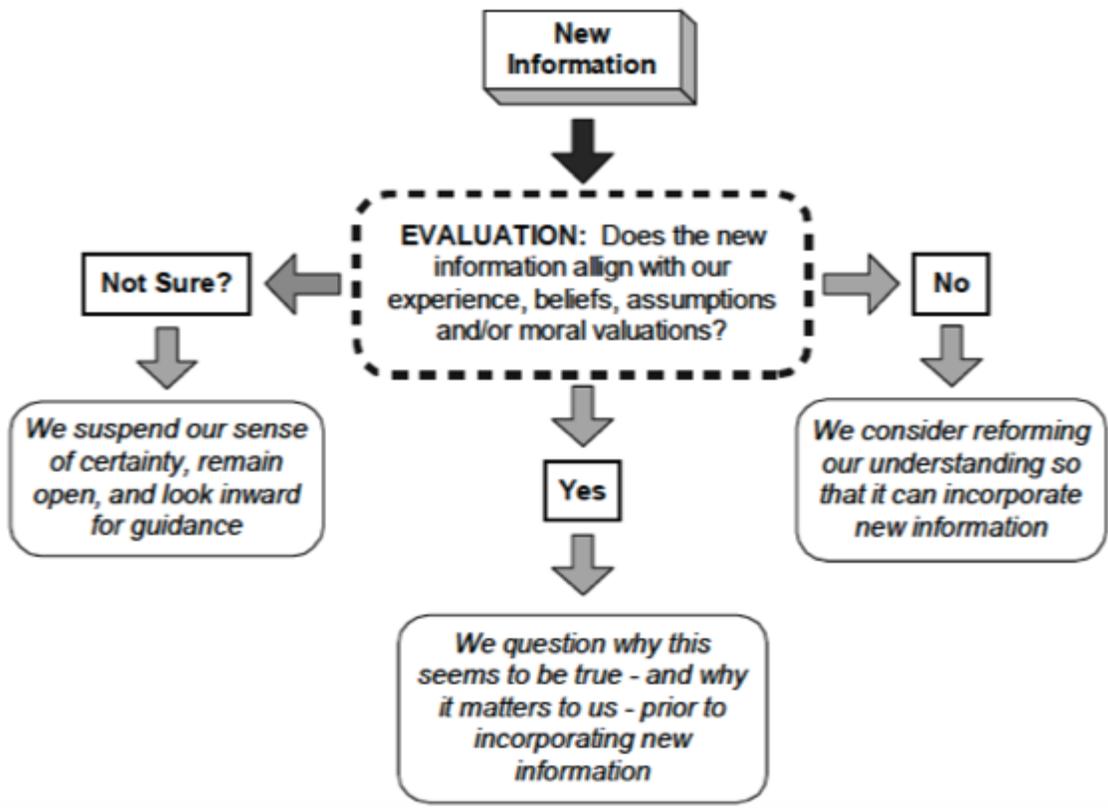
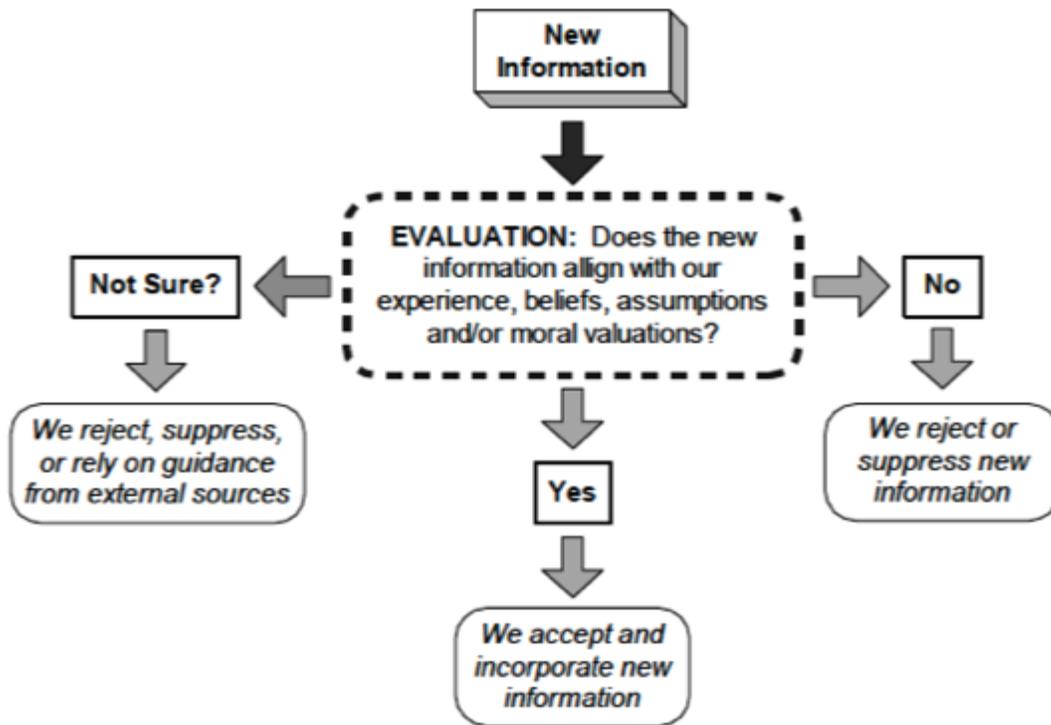
*Stages of Social Movements*

*On Capitalism*

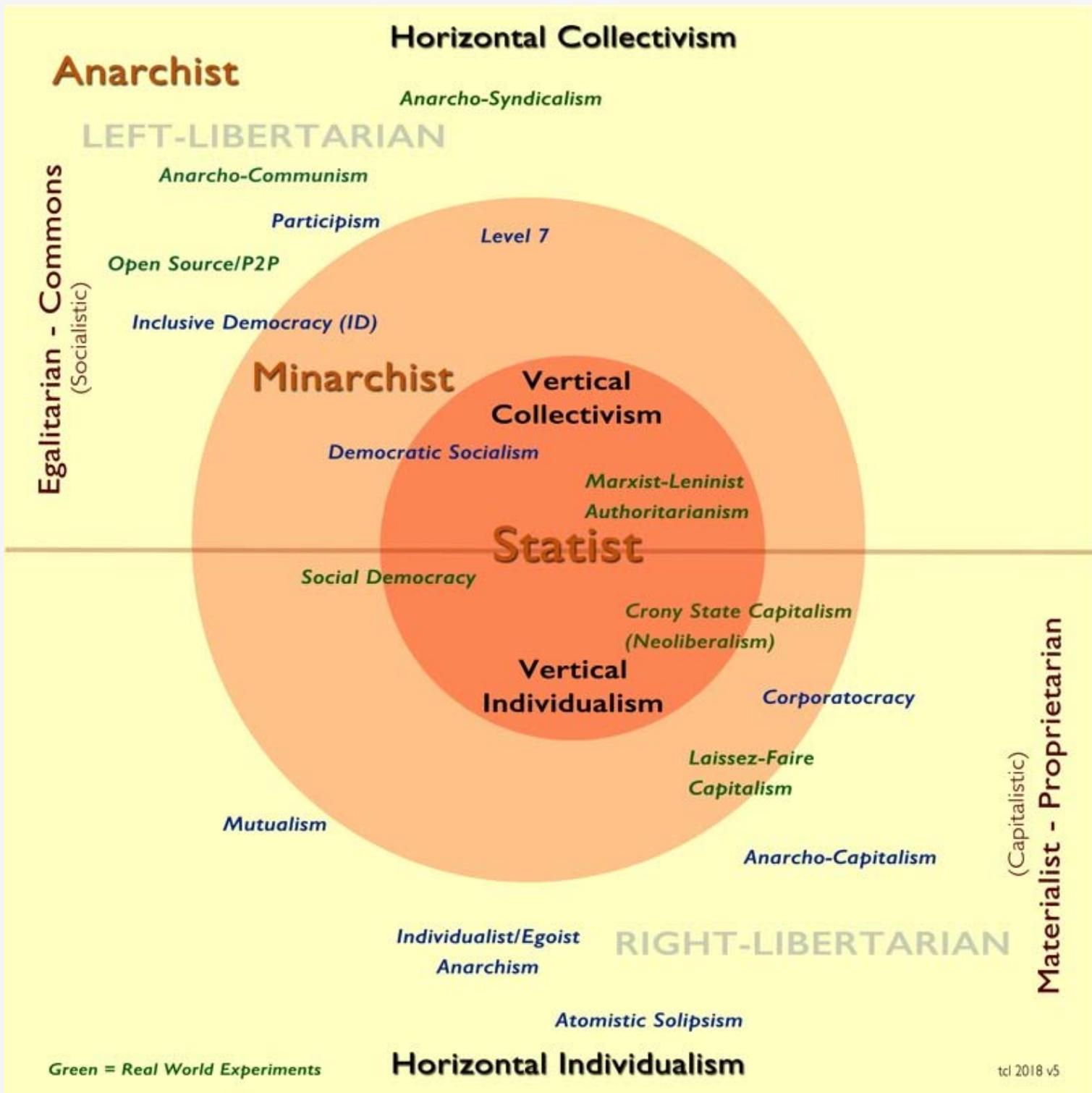
*Level 7 Production Dynamics (Intermediate Stage)*

*Level 7 Articles of Transformation (1-Page PDF w/ hotlinks)*

*On Critical Thinking*



# The Spectra of Political Economy

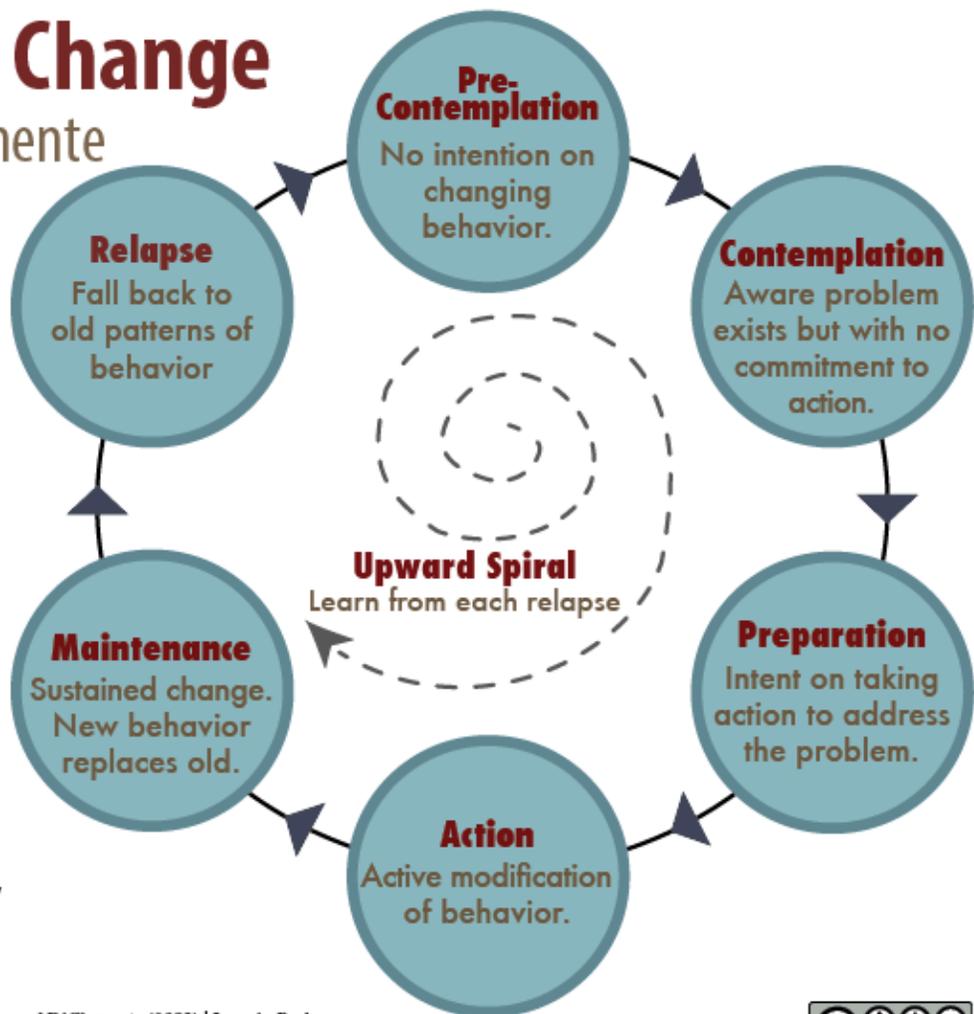


*Cycle of Change*

# The Cycle of Change

## Prochaska & DiClemente

- **Precontemplation:** A logical starting point for the model, where there is no intention of changing behavior; the person may be unaware that a problem exists
- **Contemplation:** The person becomes aware that there is a problem, but has made no commitment to change
- **Preparation:** The person is intent on taking action to correct the problem; usually requires buy-in from the client (i.e. the client is convinced that the change is good) and increased self-efficacy (i.e. the client believes s/he can make change)
- **Action:** The person is in active modification of behavior
- **Maintenance:** Sustained change occurs and new behavior(s) replaces old ones. Per this model, this stage is also transitional
- **Relapse:** The person falls back into old patterns of behavior
- **Upward Spiral:** Each time a person goes through the cycle, they learn from each relapse and (hopefully) grow stronger so that relapse is shorter or less devastating.



The Cycle of Change

Adapted from a work by Prochaska and DiClemente (1983) | Ignacio Pacheco

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## Freire's Pedagogy of Love

### A Generative Model of Paulo Freire's Pedagogical Love-in-Action

(Derived from Smith-Campbell and Little's article at <http://www.praxisuwc.com/smithcampbell-et-al-141>)

#### 5) OUTCOME OF PEDAGOGY OF LOVE

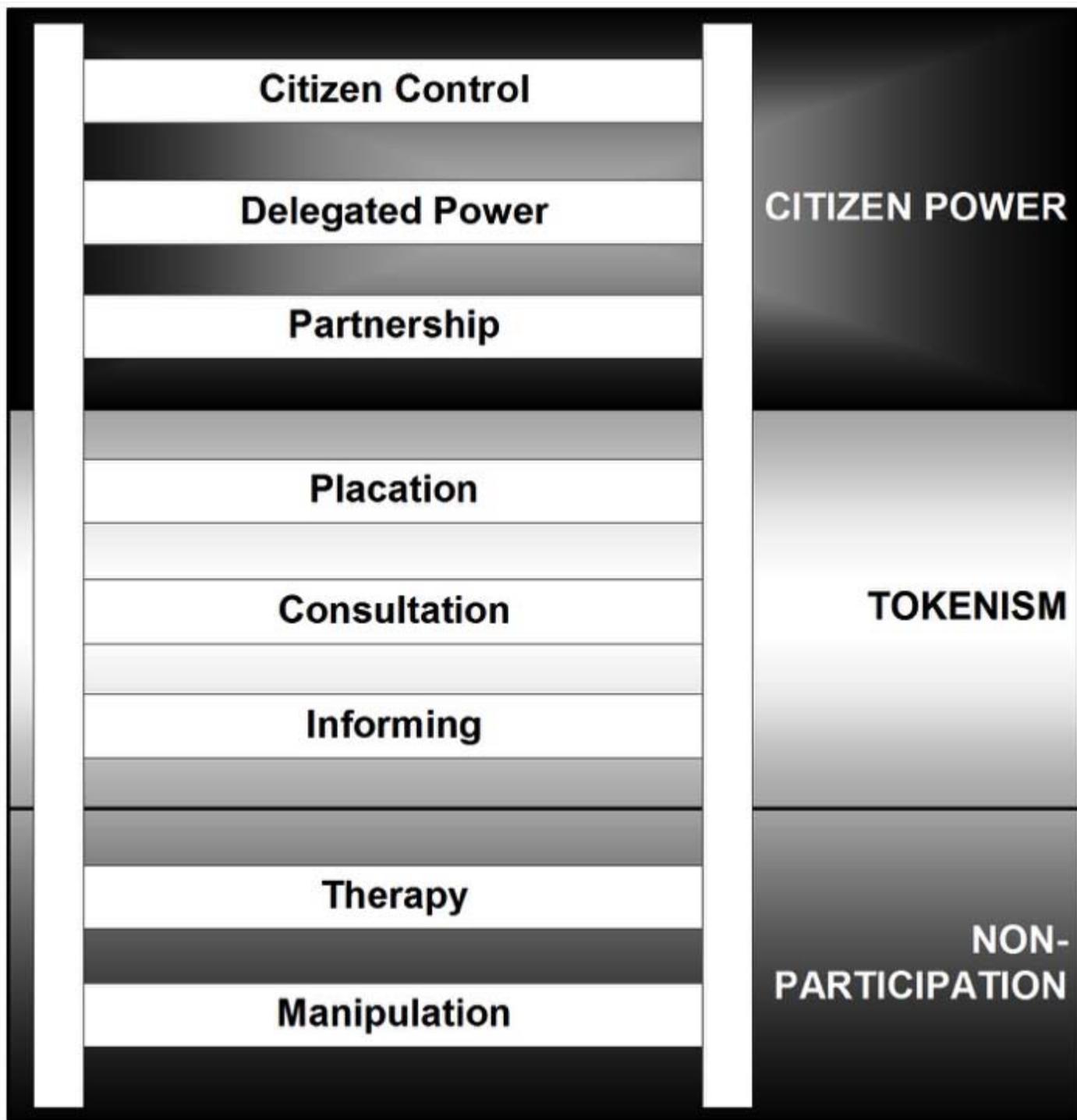
A more authentic, fully humanized and empowered being, whose understanding of values, the nature of knowledge, and sociopolitical realities **are rooted in pedagogical love**

(i.e. egoless agape; Kohlberg's "justice;" Kierkegaard's "love thy neighbor as thyself")



Modified chart of original taken from Smith-Campbell and Littles (2015) <http://www.praxisuwc.com/smithcampbell-et-al-141>

### ***Arnstein's Ladder of Citizen Participation***



*End The Madness*

# END THE MADNESS

How To Resist The Propaganda Machines That Are Manipulating You

## 1. Stop Believing and Repeating Sensational Stuff

If you can't confirm the facts yourself through multiple, independent and reliable sources, then don't believe it. Don't share it. Don't repeat it. Instead, research the truth.

## 2. Follow the Money

Want some insight into the agenda behind a source, authority, politician, think tank, news organization, talk show host or thought leader? Find out who pays them, and how much.

## 3. Ignore Ideology

Belief systems are just that. It may feel good to collect information and authorities that confirm a particular belief, but those good feelings are likely to lead to false conclusions. Instead, remain neutral and open.

## 4. Know You Are Always Being Manipulated

By advertisements, fake news, persuasive slogans, political pledges, corporate propaganda, statistics from think tanks - all of it is trying to trick you into accepting lies that serve hidden agendas, and to do things against your own best interests. Always.

## 5. Let Go Of Bad Ideas

If something isn't working, find a new way. Don't bother trying to repeat the same strategy or behavior and expecting something different to happen.

## 6. Be Curious Instead of Overconfident

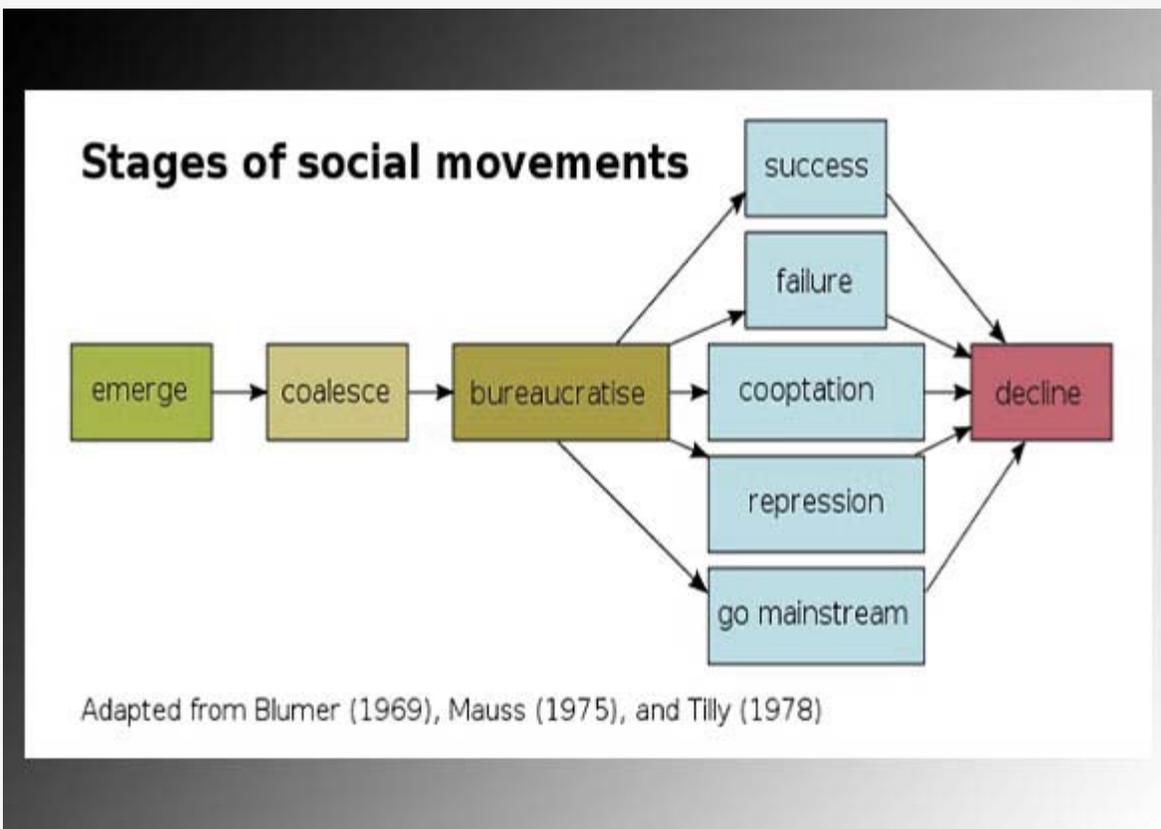
The moment I neglect to question my assumptions is the moment I begin to make mistakes.

## 7. Watch Out for Strong Emotions

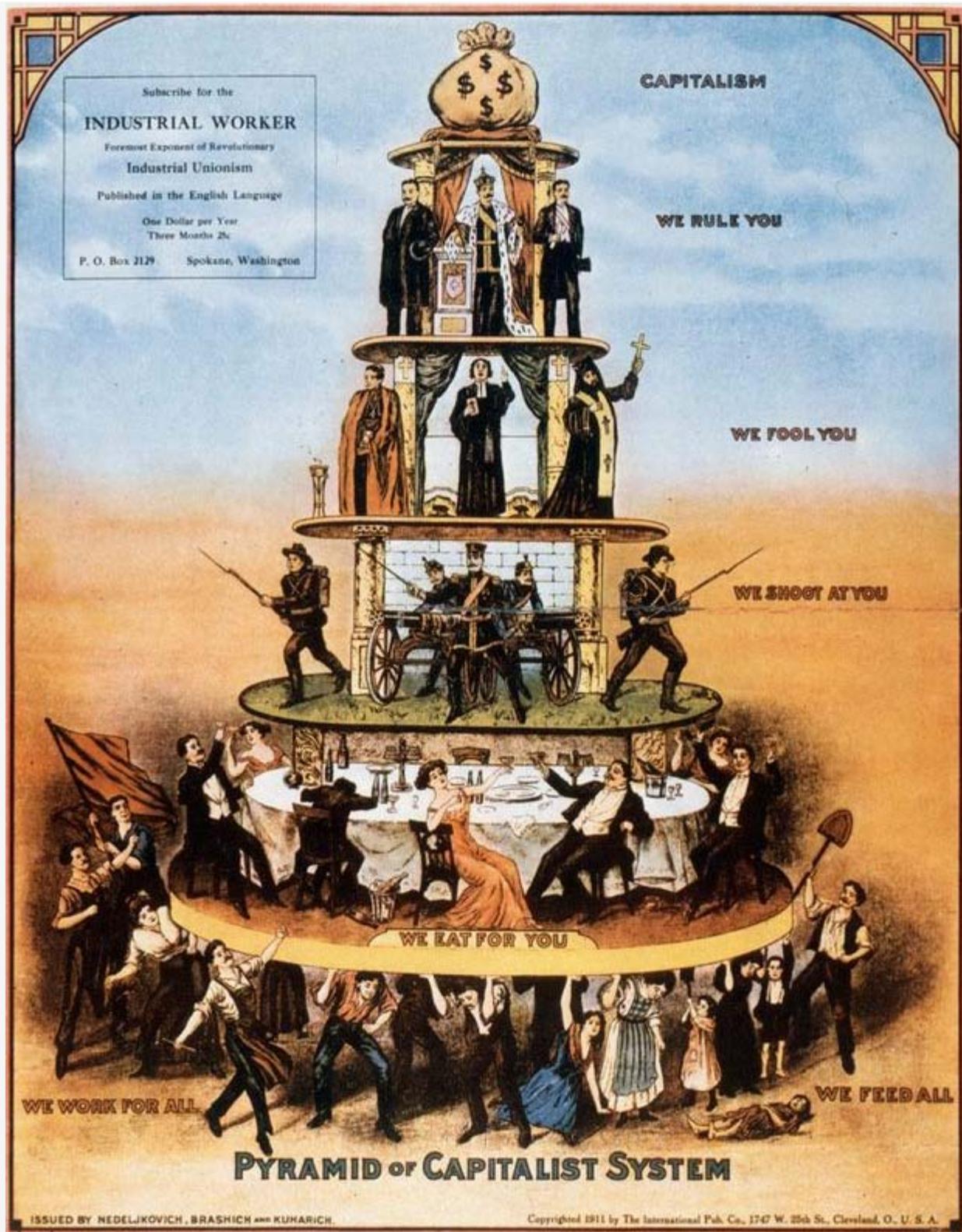
Strong emotions tend to lead to impulsive, ill-informed decisions. Wait for things to cool down a little before drawing a final conclusion.

## 8. Choose Your Tribe Wisely

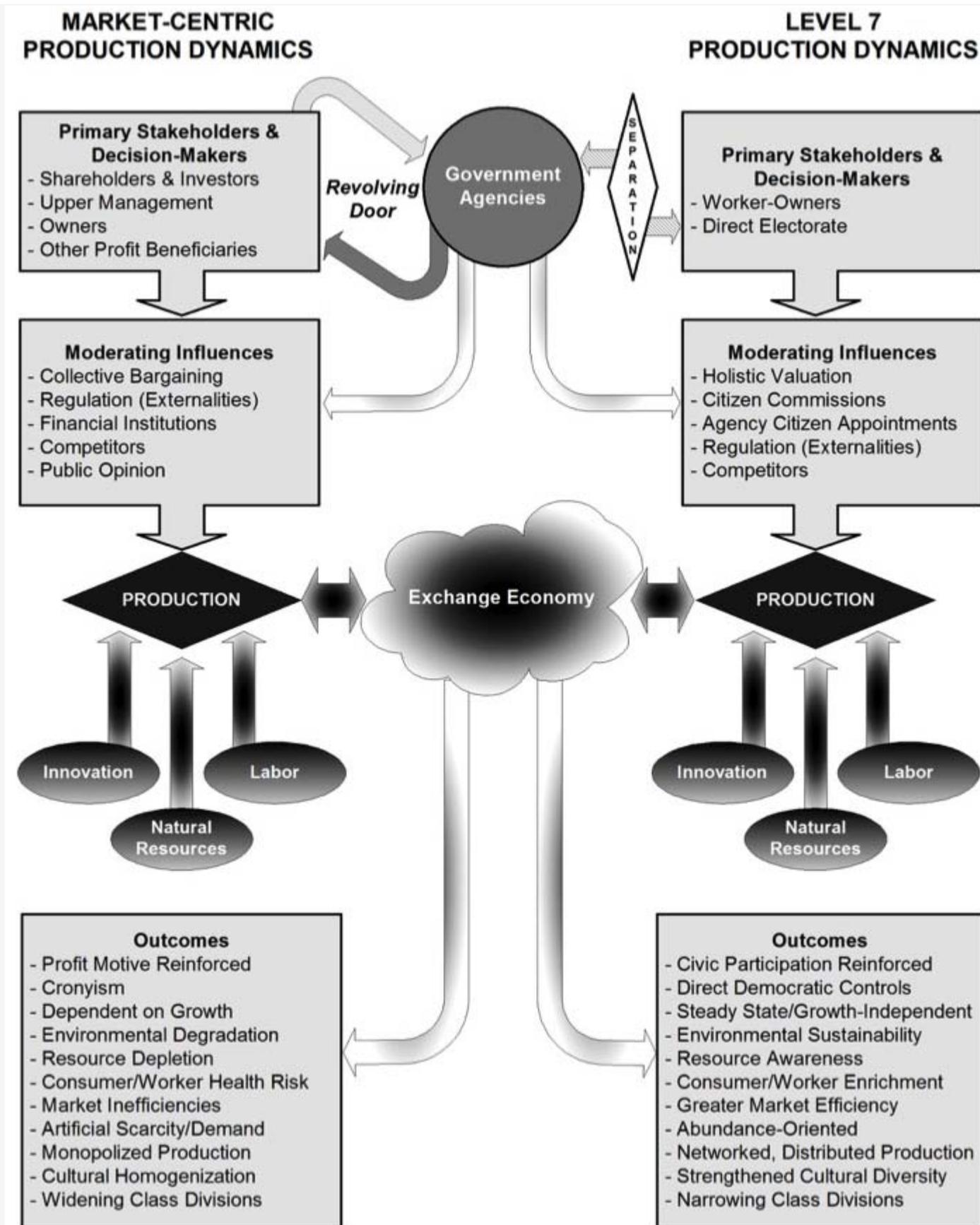
Once you invest in a particular tribe, you'll want to be loyal to that tribe and agree with what they say...so be careful. Is there a lot of "Us vs. Them" rhetoric? Is there a demand for loyalty, exclusivity and conformance? Are there strong sentiments that "this tribe's way is the only way?" Then watch out. Try to find a tribe that subscribes to at least some of the goals in this list. Or maybe don't be a joiner at all....



### *On Capitalism*



*Level 7 Production Dynamics (Intermediate Stage)*



*Level 7 Articles of Transformation (PDF w/ hotlinks)*















# Articles of Transformation for a Level 7 Political Economy

by T.Collins Logan

## ***Introduction***

Since 2004 I have been developing ideas of social, political and economic reform that harmonize with the principles of [Integral Lifework](#). As you will see, this context is a key component of a Level 7 political economy, because without individual and collective moral development and the nurturing structures that support it, any advances beyond our current self-destructive state of social, political and economic affairs will be unsustainable. In short, unless we mature ourselves enough to embrace “the unitive principle” of inclusive and skillful compassion, the most elegantly designed egalitarian architecture will sabotage itself. Along these same lines, the process of outlining revolutionary proposals will of necessity need to be participatory and dynamic in nature, continually evolving as ideas are discussed, implemented and tested. To that end, I have created the [www.level-7.org](http://www.level-7.org) website, where I continually invite feedback on drafts of the *Level 7 Articles of Transformation*. At this point, all of these proposals are designed specifically to address U.S. systems of economy and governance.

Two important notes for navigating this document:

- All of the hyperlinks provided in this document are web-based, accessing either the Level 7 website itself or Internet resources and references. None of the visible links connect to other portions of this document.
- Many “Proposed Solutions” are duplicated across multiple Articles, because they are relevant to multiple concerns raised within each one. However, in this essay I have confined explanatory details about each proposal only to a single Article for which that proposal seems most thematically relevant.

## ***Special Thanks***

*Special thanks to David MacLeod, Ernie Bornheimer, Mark Edward Niblack, Trevor Malkison, Jennifer Grove, Scott GrantSmith, Jeff Wright, Steven Douglas Daly, Eric Pierce, Bill James, Scott Debenham, my wife Mollie and my siblings Sam, Karin and Kirsten, and the many exchanges on Quora.com that likewise sharpened my thinking around these topics.*



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## ***The Underlying Philosophy of Level 7***

### **What Are the Core Design Principles of a Level 7 Political Economy?**

The following is an overview of core design principles and provides links to a more in-depth discussion of each idea. The more original ideas will be elaborated upon in this essay.

- [Self-Nourishment and Moral Evolution](#)
- [Civic Engagement at the Community Level](#)
- [Expanded Direct Democracy in All Levels of Government](#)
- Commons-Centric Production and [Worker-Ownership](#)
- Minarchy, [Subsidiarity](#) and [Polycentric Governance](#)
- Collective, Egalitarian Orientation to Freedom & Civic Responsibility ([Integral Liberty](#))
- [Egalitarian Efficiency](#) & Diffusion
- [Sustainable Design](#)
- [Precautionary Principle](#) & [Pilot Principle](#)
- [Critically Reflective Participatory Action](#)
- [Revolutionary Integrity](#)
- Ending the Tyrannies of [Monopoly](#) and [Private Ownership](#)
- [Change in Property Orientation and Valuation](#)

### **Where Did the Philosophy Behind a Level 7 Political Economy Originate?**

These ideas coalesced over a number of years as an outgrowth of studying how moral development, economics, traditional philosophy, cultural values, history, politics and democracy have generated and intersected within political economies over time. The influences have been broad, but include these contributions and considerations:

#### ***Influential Concepts***

- Elinor Ostrom's research on [common pool resource management](#) that arose organically around the globe, and which helped inform the shape of polycentric governance.



- Aristotle’s elaborations on [virtue ethics](#), especially as they intersect with democracy, commerce and political obligation.
- As a response to the pervasive corporate oligarchy extensively exposed by Noam Chomsky, Naomi Klein, Chris Hedges, Yanis Varoufakis, Greg Palast and others.
- Integrating lessons learned by Alec Nove about the failures of State socialism and potential remedies.
- Consideration for the varied insights and vision of many economists, such as Thorstein Veblen, E.F. Schumacher, Thomas Picketty, Karl Marx and Amartya Sen.
- Howard Odum’s concept of Earth as a closed or isolated ecological system, subject to the laws of thermodynamics and cycles of energy transformation, and the consequent development of approaches by David Holmgren, Peter Pogany and others to operate sustainably within such a system.
- Paulo Freire’s emphasis on an inclusive, participatory, dialogical educational process to bring about social change through individual self-empowerment and [critically reflective participatory action](#) (critical pedagogy or [praxis](#)).
- A [convergence of ideas and evidence](#) encountered in moral philosophy, theories of human development, spiritual disciplines, enduring works of art, neuroscience and evolutionary biology around the [centrality of prosocial behaviors](#) as the basis for human society and collective survival.
- Paul Piff’s research on the deleterious effects of wealth, greed and social status on social relations.
- Adam Smith’s warnings about the [dangers of monopolies](#).
- The selective merits of various [libertarian socialist](#) and [anarchist](#) proposals.
- Employing [Ken Wilber’s AQAL schema](#) to help define what [integral liberty](#) should look like.
- Proven advantages of member-owned and [worker-owned cooperatives](#) over shareholder-centric institutions and management.
- The importance of the [pilot principle](#) - along with its [precautionary principle](#) corollary - in considering all activism or when implementing any solution.
- The demonstrated advantages and historical precedents of *subsidiarity*, *collectivism* and *egalitarianism*, and the observation that *all concentrations of wealth and power are destructive to democracy and economic freedom*.
- Implementations of direct democracy in Switzerland, installed in parallel with representative democracy (and holding those elected officials accountable).
- A re-engagement of *civic responsibility*, first and foremost *at the community level*, via both governmental and non-governmental institutions.



- Relying on *evidence-based* solutions that are customized to regional and local differences, rather than trying to impose homogenized conformance.
- The exhortations and warnings of philosophers and activists throughout history that the methodologies, values, prejudices and attitudes embodied in any movements or activism will persist into the institutions and cultural norms that emerge out of that revolution; I call this *revolutionary integrity*.

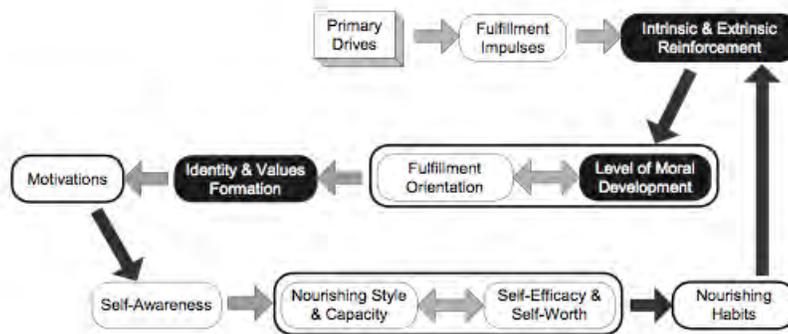
### **Original Ideas & Supportive Insights**

(To appreciate how many of these elements interrelate, I recommend either reading [\*Integral Lifework Concepts, Tools & Assessments\*](#) for an in-depth overview, or [\*Integral Lifework Developmental Correlations\*](#) – available in the Appendix of this essay - for a summarizing snapshot)

- That *multidimensional nourishment* (both individually and collectively, in widening circles of intention and action) creates critical support structures for moral development, and that moral development, in turn, *is a critical support structure* for an advanced political economy.
- The acknowledgement of a *unitive principle*, evident in nearly all philosophical and spiritual traditions - and supported by research into group selection and the evolution of prosocial traits - that identifies loving kindness as the fundamentally binding force in social cohesion, organization and development.
- That *capitalism is profoundly antagonistic* to social cohesion and moral development, and that *individualism* and *materialism* - especially as championed by *neoliberalism*, Right-Libertarianism, and Randian objectivism - aggressively counteract the unitive principle.
- Redefining *property position* in terms of the *type of ownership*, *functional abstraction layer*, and an *holistic valuation* (that includes use value, externalities and effective nourishment capacity), as a central building block of a Level 7 economy.
- The importance of *multidialectical synthesis* in addressing complex systems as both an individual, interior discipline and as a collaborative, participatory process.
- The criticality of developing and reinforcing personal and collective *functional intelligence* - especially in terms of values alignment between our personal life, social mores, cultural traditions, and our economic, legal and political systems.
- Other unique features of a Level 7 political economy, such as *daily direct democracy* and the Public Priorities Database, a *social credits* with accountability system, a *Public Information Clearinghouse*, diffused currency issuance backed by *common property shares*, etc.



## What Is the Role of Integral Lifework?



Integral Lifework, as a form of self-enriching and self-empowering multidimensional nourishment, was initially created as a form of holistic self-care. Over time, it became clear that Integral Lifework practice had a profound impact on development and transformation in nearly every aspect of being, and that this transformation had a natural tendency to radiate outwards into larger and larger arenas of action and intention. Of critical importance to models of an advanced political economy, Integral Lifework naturally encourages innate moral development - a necessary prerequisite for positive social change to occur and endure. Also endemic to the nourishment model is a reliance on internal and relational resources, rather than externalized (objectified and commodified) dependencies, so that Integral Lifework praxis becomes an antidote to the spectacle itself. In addition, there is a deliberate effort to differentiate diluted or ineffective “substitution” nourishment from the real deal in each dimension of being - so that moral development, self-reliance, discernment, skillful compassion and other benefits of integral practice are more fully energized and strengthened over time. In this way Integral Lifework also helps synthesize the character and endurance necessary to sustain revolutionary integrity.

## **Article I: Regarding Concentrations of Wealth, Their Disruption to Democracy and Proposed Remedies**

### **Problems To Solve**

Arbitrary, self-serving, self-perpetuating concentrations of wealth and power that create a de facto “ruling class” of owner-shareholders that undermines democracy. This is primarily due to:

- Inherited material assets and cultural capital maintain wealth inequality
- Illicit enlargement of capital via political cronyism, clientism and regulatory capture
- Extraordinary and widening income inequality
- Engineered disruption of economic mobility through subsistence wages, increased debt burden, and dependent consumption
- Sabotage of democratic process via political campaign financing, gerrymandering, media capture and voter disenfranchisement
- Insulation of corporate holdings and accountability through corporate personhood and pro-corporate judicial activism
- [Monopolization](#) and consequent disruption to constructive competition and innovation
- Aggressive promotion of [neoliberal agenda](#) via media, democratic processes, public policy and all branches of government

### **Proposed Solutions**

1. [Disrupt “business as usual” & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
3. [Institute greater direct democracy at all levels of government](#)
4. [Create citizens councils via civic lottery](#)
5. [Limit all political campaigns to public funding & a cap of gifted media advertising](#)
6. Migrate away from shareholder ownership of production to common and [worker ownership](#)
7. Eliminate [corporate monopolies](#)



8. Establish collective and transparent deliberation over industry-wide salaries and highest-to-lowest pay ratios (via some combination of direct democracy, citizens councils and worker voting)
9. Create new community-centric schema & structures for enterprise
10. Create non-profit infrastructure & essential services sector of competing enterprises & social credits system (i.e. a Universal Social Backbone – see Article VI)
11. Enlist the wealthiest elite as change agents
12. Institute 30% tithe on all inheritance and migrate away from private ownership towards common ownership (i.e. a Level 7 property position)
13. Reform the stock market & fiat money, and end speculation without value (see Article IX)

*More detailed explanations of these proposals will be offered in the Articles that follow.*



## ***Article II: Regarding the Failures of Representative Democracy to Serve Its Electorate, and the Need for Expanded Direct Democracy and Civic Engagement at the Community Level***

### **Problems To Solve**

- Elected representatives represent special interests and wealthy rather than electorate
- Individual voters feel profoundly disconnected from a highly abstracted political process, resulting in a felt reality of “taxation without representation”
- Crony capitalism and clientism have captured regulation and bent all branches of government to neoliberal and corporate agendas
- Gridlock in state and federal legislatures has undermined voter confidence in the efficacy of government
- Representation in state and federal government has been gravely distorted by excessive gerrymandering
- Two-party polarization and in-group/out-group tribalism and demonization has crippled effective governance
- The electoral college and primary systems do not fairly or accurately convey the will of the people in both candidate and platform competition and selection

### **Proposed Solutions**

1. Hold elected officials accountable via referenda
2. Institute greater direct democracy at all levels of government
3. Create citizen councils via civic lottery
4. Limit all political campaigns to public funding & a cap of gifted media advertising
5. Institute universal algorithmic redistricting for U.S. elections
6. Eliminate the electoral college completely, if necessary via Constitutional Amendment
7. Revamp primaries so that more candidates, parties and perspectives can compete on a level playing field
8. Reform judicial elections, appointment process & terms to increase independence of judiciary



9. [Advocate grass-roots non-governmental civic institutions focused on community engagement](#)

### Implementing Direct Democracy and Democratic Reforms at All Levels of Government

In conjunction with the proposed [Information Clearinghouse](#), there is no reason to delay implementing direct democracy in several different ways. The technology and proof-of-concept exist - all that is required is the will, and likely Constitutional Amendments regarding the following proposals that empower the people to govern themselves.

The [Swiss model](#) of direct democracy, which operates in parallel with representative democracy, has some proven mechanisms and characteristics that can inform a U.S. version, and should be consulted in detail - all the way down to the municipal level. In such a context, the existing mechanisms and traditions of representative democracy could run in parallel with new, direct democracy provisions; elected representatives all the way up to POTUS would, however, have much less power. In addition, I would propose the following elements to enhance such a system:

- **Two-Stage Voting** - A preliminary vote and a final vote, separated by as much as six months, for all major direct voting (public office elections, recalls, initiatives, referenda, censures, etc.). This is to allow a cool-down period over controversial initiatives or legislation; additional time to research and fact-check legislation, initiatives and candidates; and allows for a reversal of certain decisions that may have been too hastily considered (i.e. “cold feet” reversals). In between each stage of the vote, [Citizens Councils](#) at the appropriate level will review and make their recommendations on the issues as well.
- **Daily Direct Democracy** - Internet voting on a daily basis - from a secure app on a smartphone, public library terminals, or a home computing device - on all legislation, executive actions and policy changes at all levels of government, for all branches of government, and for all governmental organizations, as well as to express public preferences for in-process legislation and government agency decisions. In some cases this would operate similarly to a “public comment” period, in some cases an advise and consent mechanism, and in the most impactful decision-making as a binding authorization. These differences would be the result of both public preference (i.e. established public priorities), and a result of the number of votes on a given issue - the higher the vote count, the more binding the vote becomes. In all such instances, a 90 day lead time should be provided for any proposals before the preliminary vote. And of course voting for local issues would be restricted to algorithmically defined districts within each region.
- **Public Priority Database** - As a participatory mechanism, anyone can propose a topic for public consideration, and the topics that are either a) voted into priority, or b) aggregated into an overarching topic whose sub-topics have been voted into priority will be formalized into policy initiatives, research initiatives, executive actions and/or legislation which will also be voted upon in their final form.



- **Unique Digital Identifier** - A strongly encrypted identifier assigned to all citizens of voting age, which is used to access voting sites, the Public Priority Database, the social credits system and other governmental and communal systems. It is likely also essential that two-stage verification and biometric verification also be implemented, along with secure systems for both rapid re-issue and immediate retirement upon death. This UDI (in physical, non-replicable form) will also be used to access different levels of Infrastructure and Essential Services.
- **Algorithmic Redistricting** - Using one consistent, objective, transparent algorithm across all regions of the U.S. to apportion districts to voters. As one example, see Warren D. Smith's [Splitline method](#).
- **Technocratic/Administrative Corps** - In some cases elected directly by the public, in some cases appointed by citizen's councils, in some cases selected by a civic lottery restricted to a pool of individuals with specialized skill sets and experience, there will need to be career technocrats and administrators in government positions who run government itself and its often highly technical or specialized programs.
- **Accountability for Elected and Appointed Officials** - Whether via direct referenda, temporary censure, and regular feedback and approval ratings, or as guided by citizen's councils or other governmental checks-and-balances, all elected or appointed officials will be subject to immediate and actionable evaluations from the electorate.
- **Campaign Reform** - Public funding of all campaigns (elected officials, initiatives, referenda, etc.) via equal gifted media time, strict source-branding and [PIC](#) fact-checking disclosures of all media and propaganda created by third-party special interests *that is embedded in the media itself* (a simple summation segment at the end of a given multimedia segment, or printed on physically distributed media, should suffice).

### Civic Engagement at the Community Level

There are four primary components of community level involvement in a Level 7 political economy:

- **Citizens councils:** At all levels of government and as ongoing components of governance, citizens councils would be created via civic lottery.
- **NGOs:** Grass roots civic organizations, spontaneously created at the community level, which operate independently from governmental institutions.



- **Daily Direct Democracy:** As an additional avenue of engagement, community members can raise and comment on issues important to them, help decide on budgeting priorities for community planning, and hold local business enterprise accountable (in much the same way that the BBB or Yelp does currently, but using a Unique Digital Identifier for each citizen to prevent distortion of data).
- **Community-centric, non-profit public institutions:** For example, Community Land Trusts (CLTs), Community Development Corporations (CDCs), and Community Banks (credit unions).

These function as part of the checks-and-balances process in conjunction with elected or appointed technocratic and administrative positions.

### ***Citizens Councils***

Citizens councils become the secondary deliberation bodies for self-governance after direct democracy - a means of refining the will of the electorate and interfacing with other civic institutions. There have been many examples of similar bodies throughout history, such as [Community Planning Groups](#), and these can offer helpful guidelines on how to define roles, responsibilities and administrative processes. The main difference with Citizens Councils in a Level 7 context is that they would always always appointed by lottery, with strict term limits. However, there is also a hierarchy to the civic lottery pools that reflects the Council hierarchy in terms of larger geographic regions. For example, only those who have served their full term in a community-level Council would be eligible for the metro-municipal level Council inclusive of that community; only those who have served a full term in the metro-municipal Council are eligible for for district-level Council inclusive of that metro-municipality, and so on. These eligibility criteria can then continue up the hierarchy through megalopolis, state, regional and national Councils. It seems inevitable that such Council experience will, over time, create a pool of skilled public administrators who can then run for elected offices as well.

What also differentiates the Council lottery process from existing lotteries - such as those for jury duty - is that the lottery occurs several months prior to active appointment to a given Council. This allows those selected to prepare for their appointment - in terms of education and any necessary reorganizing of their private life around the appointment's duties. As with all other public service positions, Council members can potentially be censured via daily direct democracy of their constituents. At the same time, all such censures (along with any and all successful direct democracy initiatives) are reviewed and approved by both the local and upstream Councils. If a Council approves of the stage one direct vote results, the results of the stage two direct vote will become binding. If the a Council disapproves of the stage one direct vote, then the stage two direct vote becomes provisional, and deliberation advances to *the next geographic level of both Council and direct vote*. The same deliberation process is then repeated until a final binding decision is reached.

### ***Community Land Trusts***

Community Land Trusts are an example of public institutions that operate at the community level. They would be subject to the “advise and consent” guidance of Citizens Councils and Daily Direct Democracy in addition to a tripartite Board of Directors, in order to manage common property and resources at the community level. This is also a great opportunity to implement elements of Ostrom’s CPRM and polycentric governance. The same management and oversight principles can also be applied to other public community institutions, such as CDC and local credit unions. I this group of organizations could be an ideal network to manage common property shares and issue currency backed by those shares.

### ***Spontaneous, Grass Roots Civic Organizations***

A convenient way to categorize this phenomenon is “community organizing,” and plentiful resources are available on the topic. All we are really concerned with here is the civic function such organizing serves in the context of authentic liberty, and some useful participatory models for these grass roots institutions. Michael Brown, for example, describes them in his superbly practical guide, *Building Powerful Community Organizations*.

### ***Why Is Community Engagement Important?***

Communities are where ready cohesion is waiting to sally forth. Whereas complex, abstract, global issues may be difficult to harness in terms of building consensus, it is relatively simple to find common ground around pressing community concerns. Local housing and real estate development, local energy production, local roads, local businesses and jobs, local environmental issues, local air and water quality, local animal concerns, local entertainment, local grocery and retail, local banking, local crime...people already care about what is happening in their community. All that is required is a concentration of focus, a regular dialog, and demonstrated evidence that voluntary engagement will produce desirable results. In addition to the mechanisms outlined above, Level 7 also adds community property shares, daily direct democracy, and Community Coregroups to the mix to further strengthen civic involvement at the community level.



### **Article III: Regarding the Unsustainable Depletion, Destruction and Pollution of Natural Environments, Resources and Ecosystems, and the Practices and Policies Necessary for Sustainable Systems**

#### **Problems To Solve**

Irreversible destruction of countless species, ecosystems and non-renewable natural resources, mainly as a result of:

- Unrestrained, organized corporate greed that disregards known negative externalities
- Unintended consequences of rapid technology development and deployment in concert with undisciplined resource exploitation
- Explosive growth of human populations and economies, with ever-enlarging concentrations of human habitation and industry
- The idealization and spreading adoption of U.S.-style consumerism and conspicuous consumption
- Individual, corporate and collective [superagency](#) enabled by increasingly sophisticated, powerful and proliferating technologies, *without concurrent moral development or civic accountability*
- The perpetual expansive pressures of [growth-dependent capitalism](#) and unsustainable consumption habits
- Disruptive and chaotic climate change influenced by human activity
- Careless and accelerating chemical, radioactive, electromagnetic and particulate pollution of natural environments

#### **Proposed Solutions**

1. Inspire environmental consciousness (via the [unitive principle](#), integral practice and ongoing education)
2. Implement the [precautionary principle](#) at all levels of decision-making regarding technology production, resource utilization and public policy
3. Slow down growth-dependent economies and encourage localized, diverse and distributed interreliance of commerce and production, rather than homogenized centralization
4. Phase out unsustainable and destructive consumption (overconsumption of energy, beef, water-intensive crops, products requiring deforestation, etc.)



5. [Encourage adoption and discourage reproduction](#)
6. Develop highly distributed, eco-synergistic energy practices and retire fossil fuels
7. Establish [community-centric self-regulation](#) of industry and common resource utilization via direct democracy and citizens councils
8. Learn from Nature’s mutually supportive patterns, and replicate them in the humanity-ecology relationship

## The Unitive Principle

In short, the “unitive principle” is innate and cultivated love - specifically an unconditional love-consciousness that inhabits the felt experience of compassionate affection - that invites social cohesion, stimulates prosocial behaviors, and energizes individual and collective moral evolution. The impact of the unitive principle on personal and societal development is captured in the **Integral Lifework Developmental Correlations** chart in the Appendix. Here is a web link to that chart as well:

### [Integral Lifework Developmental Correlations](#)

It takes a while to absorb the content of such a chart, and it would take even longer to discuss it more fully, but the idea that there is a predictable arc of moral advancement is an essential feature of the values hierarchies that support constructive integralism. If we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we can begin to arrive at values hierarchies that are not only internally consistent, but that energize a clearly defined evolutionary arc amid complex and often competing systems. When combined with multidimensional awareness, we can sort through the profoundly complicated issues of the modern world and assign dynamic, flexible priorities. I can attest to this not only theoretically, but from my own experience. In managing people in organizations, for example, whenever I placed “the good of All” above any other agenda – above shareholder profits, for example, or my own ego gratification, or the favoritism of one person over another, etc. – then the outcome was always beneficial to the largest degree for the largest number, as long as I could integrate as many perspectives as possible within this compassionate prioritization.

My understanding of love-consciousness, values hierarchies, the greater good and so on continue to be transformed by the integralizing filters of discernment, a neutral holding field, flexible processing space and multidialectical processing. I believe it has been through this growth curve that I eventually arrived at the book *Political Economy and the Unitive Principle*, where the importance of collective moral development in enabling the capacities and durability of civil society becomes so pronounced. Here again, all of this remains dependent upon individual commitment to self-nourishment and loving intentionality that expresses the “unitive principle” of love. As I wrote there:

“Is it the natural maturation of a more sophisticated and far-seeing self-interest that inspires a unitive vision? Is it an inevitable evolutionary refinement in social relations? Is it an



arbitrary hiccup in the development of the brain that provides some adaptive advantage? Is it evidence of a divine imprint on the human psyche, or part of what Sri Aurobindo called "supramentalisation," the ongoing descent of the divine into the material plane? I have my suspicions, but of course I don't know the answer. I have just observed it over and over again: the unitive principle appears to be firmly embedded in holistic nourishment and moral creativity as a function of natural maturation and growth, with continuously humanizing, harmonizing and liberating effects. And this why I believe transformative, all-encompassing love-consciousness should become our guiding intentionality for everything, including models of political economy, because this kind of skillfully compassionate affection has proven itself to be the most constructive force available to us."

## Sustainable Design

### *Honoring the Earth - as a Closed Energy System - in a Level 7 Political Economy*

This topic has been carefully thought through by so many prolific and talented folks that I can only tip my hat to them as I organize what I think are important concepts. In particular, the work of Odum, Holmgren and Pogany seem to introduce a harmonious resonance as they point toward both the challenges and solutions of sustainable practices - in terms of food and energy production, collective consumption, a different global economy, globalized modeling and so on. I'd like to thank David Macleod

(see <https://integralpermaculture.wordpress.com/about/> and search for David's articles on <http://www.resilience.org>) for introducing me to many of these resources, as well as his own informative insights and encouragement in this area.

Here then are a few highlights regarding peak oil demand, Permaculture, Pogany's "Global System 3," and other ideas that I find compelling, tailored or reworked with some of my own language:

- **Environmental Consciousness** - It must become a given (via the [unitive principle and its expression in cultural development](#)) that human beings see their relationship with the Earth and all its ecosystems as cooperative and mutually supportive, rather than exploitative and anthropocentric.
- **Eco-Synergistic Energy** - The operational assumption that we have already passed the point of being able to rely on cheap fossil fuels for energy production, and that we need to shift rapidly to energy production that works with Nature (and in fact imitates it) instead of consuming natural resources. Intrinsic to this approach will be a fundamental commitment to high quality energy storage, and ideally one that replicates and/or interacts with biological systems.
- **A "Breathing" Economy** - Embracing economic rhythms that are much closer to a cyclical steady-state than more growth-dependent boom and bust.



- **Zero Population Growth** - A deliberate and perpetual reduction in fertility rates to minimize human impact on the planet.
- **Radical Reduction in Consumption** - Not just in terms of waste and recycling, but in aggressively attenuating a consumer mentality that drives overconsumption and overproduction.
- **Create or Enhance Mutually Supportive Systemic Relationships** - Instead of segregating and isolating functions, technologies, systems, individuals and communities (i.e. the “silo effect”), integrate them in mutually supportive ways. Along the same lines, observing where ecological patterns and human patterns (cultural, behavioral, economic, etc.) intersect in constructive, mutually supportive ways can offer fruitful insights for praxis.
- **Support Diversity’s Ascension Over Homogenization, and Celebrate “Small and Slow”** - This harmonizes with the subsidiarity principle, with the aim of distributed inter-reliance rather than centralized concentration or large-scale homogenization of resources, production, etc.
- **Encourage Community Self-Regulation** - Consult Elinor Ostrom’s CPRM approach regarding this.

I would only add that without a concert of approaches such as all those suggested for a Level 7 political economy in this essay, such efforts at sustainability will inevitably fall short. For example, capitalism itself - in its current form - is simply too powerful of a juggernaut to achieve meaningfully sustainable practices; commercialistic corporationism will always undermine efforts at sustainability in order to drive the frenetic growth upon which it relies.

### **Encourage Adoption & Discourage Reproduction**

If trends in developed and developing countries are any indication, it is likely that human population will eventually stabilize. In the meantime, however, explosive population growth continues to have an enormous impact on demands for resources, environmental destruction and pollution, and perpetuation of poverty. Instead of incentivizing reproduction through tax credits and welfare benefits, while at the same time limiting access to family planning and reproductive choice for women, we can reverse this position. For example, additional social credits could be made available for anyone who adopts any number of children, whereas the same benefits would only be offered to the first two children that a couple conceives. It is clear that for any such proposals to gain traction in a meaningful way, the average moral altitude of the general population will need to advance beyond egoic and tribal orientations to an Earth-centric level of awareness or beyond.



## **Article IV: Regarding Exploitation and Deception Of, and Injury To, the Worker-Consumer Class by the Owner-Shareholder Class, and the Consequent Necessity of Worker or Common Ownership of Production**

### **Problems To Solve**

The amplification of destructive production and consumption that benefits the ruling class (owner-shareholders) while increasing burdens and injuries for the non-ruling classes (worker-consumers):

- Exploitation of natural resources and labor, often at the expense of the well-being of workers, local communities and surrounding ecosystems
- Socialization of business risk and public funding for research and development of profit-making innovations
- Rewarding pathological behavior (i.e. “business as usual”) and divorcing business ethics from prosocial norms
- Privatization of public goods
- Engineering artificial demand through marketing and advertising, as complemented by concurrently engineered scarcity

Pervasive, devastating and self-amplifying injury to all human beings, and most acutely the non-ruling (worker-consumer) classes:

- Toddlerization and infantilization of consumers - creating excessively dependent consumers who cannot care for themselves and externalize all problems and solutions, then become habituated to chronic consumption and commercialized addictions around those commodities
- Accelerating changes in technology and a forceful expectation that everyone to adapt to them immediately
- Enticement and reward for operating at the lowest common denominators of moral function (animalism)
- Ever-expanding marginalization, disenfranchisement, criminalization and incarceration of anyone who challenges the capitalistic status quo, or who can't (or won't) operate within it
- Snowballing physical and psychological diseases and dysfunction directly attributable to commercialized programming of diets, stress and conspicuous consumption

Increasingly global homogenization of human culture, caused by:

- Greater economies of scale through monopolization and mass production
- Lowest-common-denominator marketing appeals
- Allure of U.S.-style consumerism and its inherent “newer-is-better” frenetic meme
- Technological standardization

## Proposed Solutions

1. [Disrupt “business as usual” & pro-capitalist PR campaigns](#)
2. Eliminate corporate personhood & right to free speech via [Constitutional Amendment](#)
3. [Institute greater direct democracy at all levels of government](#)
4. [Create citizen councils via civic lottery](#)
5. Migrate away from shareholder ownership of production to common and [worker ownership](#)
6. Eliminate [corporate monopolies](#)
7. [Create new community-centric schema & structures for enterprise](#)
8. Create non-profit infrastructure & essential services sector of competing enterprises & [social credits](#) system (i.e. a [Universal Social Backbone](#))
9. [Enlist the wealthiest elite as change agents](#)
10. Migrate away from private ownership towards common ownership (i.e. a [Level 7 property position](#))

## Worker Ownership of Production

### *Worker-Owned Cooperatives*

Simply stated, this is a successfully demonstrated approach to solving many of the problems in shareholder-centric capitalist enterprise, including the tyranny of private property, the tensions inherent to establishing owner-management and workers as separate classes, and ensuring the safety, well-being and job security of workers, and adequate diffusion of knowledge and training – all of this while still providing opportunities for competition in both non-profit and for-profit environments. Production on nearly every scale can be delivered by networks of worker-owned cooperatives who routinely vote on working conditions, compensation, strategic and tactical directions of the business, internal



management structure, customer relationships, integration with local communities and so on. This is basically a “direct democracy for organizations” structure that can be (and has been) implemented in nearly every business sector, from banking to manufacturing to shipping to farming to garbage collection to healthcare. To fully appreciate the nuts and bolts of implementation, the breadth of some real-world experiments, advantages over bureaucratic organizations, and the rationale behind worker-owned cooperatives, I recommend consulting *The Cooperative Workplace* (1989) by Joyce Rothschild and J. Allen Whitt.

In order to initially migrate shareholder ownership to worker ownership, it will be necessary to create a path that encourages or incentivizes transition rather than engineering involuntary expropriation. Remembering that monopolies would first need to be broken down into smaller, networked enterprises, and that some of these enterprises will become non-profit, transfer of ownership can become less of a herculean task. For example, such transfers can be initiated through worker-buyouts backed by the common property shares in the workers’ community, or elite change agents could be recruited who can gift businesses to their workers. Lastly, all of this would occur in conjunction with a radical downsizing of the stock exchange, so that . From the perspective of shareholders, there will be a change in asset valuation and value conversion, as fiat currency is first diffused and then replaced, as social credits and the Universal Social Backbone schema intersect with growing portions of economic activity, and a system of holistic valuation begins to gain momentum. So there will be attenuation of individual wealth concentrations, but again this would hopefully and in largest part be voluntary, inspired by widespread acknowledgement of the unitive principle and expressed through direct democracy.

### Egalitarian Efficiency

[Pareto Efficiency](#) describes a state of allocation of resources where “it is impossible to make any one individual better off without making at least one individual worse off.” Egalitarian efficiency, on the other hand, describes an allocation of resources where there is both *equality of opportunity* and *equality of outcome* for all individuals. How is this possible? It is possible because both opportunities and outcomes are in constant fluctuation and adjustment - in terms of their availability and duration - so that everyone ultimately can benefit to the same extent over a given period of time. In other words, we could say that everyone will experience an equal outcome to the experiences of others *at some point in time*, but not necessarily at the *same point in time*. Group A will experience certain privileges or benefits while Group B does not, then Group B will experience those benefits and privileges while Group A does not. In egalitarian-efficient systems, nothing becomes an imposed static state, but rather a targeted dynamic that is facilitated by various checks-and-balances. In the case of Level 7 proposals, these include the social credits system, direct democracy implementations, worker-ownership of enterprises, money backed by common property shares, community NGOs, and so forth. Only if all of these components act together in a harmonized and mutually supportive way will equality of opportunity and equality of outcome be sustainable - as an-ebb-and-flow - over time. And if they don’t for some reason? Well that is where these same mechanisms can be relied upon to remedy imbalances and inequality. This is part of what a “breathing economy” looks like, and is in fact dependent on all the other factors of [sustainable design](#) being reified in the most diffused implementation



of democracy, production, administration and regulation possible. I think it is inevitable that the ebb-and-flow of opportunity and outcome will also apply to different communities, regions and nations as a similar long-term balancing act. Again, however, this would be in gentle, often collectively directed cycles of give-and-take with continuous variation and adaptation to different regions - rather than either cookie-cutter top-down solutions imposed by the State, or the lopsided and always inequitable free-for-all generated by the profit motive.



## **Article V: Regarding the Toxic Dangers of Ignorance, Moral Immaturity and Misinformation in a Functional Democracy, and the Need to Create Countervailing Informational and Educational Institutions**

### **Problems To Solve**

Distraction and misinformation of the oppressed non-ruling classes (worker-consumers) with bread and circuses, propaganda and truth-discrediting tactics, which rejuvenate themselves in new and spectacular forms:

- Artificially generated populist narratives that equate “freedom” to the enlargement of corporate control and dependency, attenuation of public civic institutions, and voting against one’s own best interests (see [neoliberal agenda](#)); then associating nationalism, religious correctness and conservatism with blind ideological conformance to these narratives
- Vilifying intellectualism, liberal arts disciplines, publicly funded scientific research, higher education and the public education system, so that these institutions can be dismantled or privatized, and the electorate can thereby be made increasingly ignorant and gullible
- Perpetual creation or amplification of scapegoats in mass media to redirect public discontent away from corporatocracy - *big government, terrorists, illegal immigrants, gay marriage, abortion, Muslims, etc.*
- Grooming champions of these disruptive narratives, ideologies and approaches to be elected or appointed to public office, succeed in corporate America, or gain prominence or celebrity status in mass media
- An endless diet of multimedia entertainment, advertising, celebrity creation and yellow journalism as part of an ongoing [spectacle](#) to anesthetize the masses
- Corporate capture of mass media to “control the message” via news outlets and talk shows
- Educational environments that inspire conformance, regurgitation and black-and-white reasoning, rather than curiosity, critical thought, and appreciation of nuance and complexity
- Selective sorting, presentation, promotion and exclusion of Internet-based information via for-profit search engines

## Proposed Solutions

1. [Community Coregroups](#) that encourage civic engagement, collective egalitarianism, multidimensional nourishment and moral maturity
2. K-12 multidimensional self-care training ([Integral Lifework](#) or other) that likewise encourages civic engagement, collective egalitarianism and moral maturity
3. Curricula that return to liberal arts and [fine arts emphasis](#) in balance with STEM disciplines, and inspire a critical thinking, curiosity and evidence-based mindset without excluding creative, intuitive and spiritual input streams
4. Creation of a [Public Information Clearinghouse](#) (PIC) with multidimensional analysis of all data (this could ultimately replace Google or other commercially-driven search engines, or be a frontend aggregation/filtering mechanism)
5. Establishing the [Fourth Estate](#) as a formal, independent watchdog branch of government via [Constitutional Amendment](#); in this case populated with independently [elected journalistic technocrats](#) who cannot hold other public office, and influenced by daily direct democracy and citizens councils just as the other branches are

## Community Coregroups

The basic idea of how these groups work has come from many years of teaching classes, leading discussions, and being involved with support groups of many different types. And although the idea is simple, it won't always come naturally, and may take some practice. The format of the group is a combination of guided discussion and meditation. The "Guide" can be anyone, and in fact I encourage that role to rotate among all members of the group, with a new Guide for each session. If it's a newly established group, anyone can be a Guide. With an established group, participants should attend at least four sessions before volunteering for the role of Guide. The Guide's responsibility is to offer up the discussion questions, allow everyone in the group to participate, to remind people of guidelines if they forget them, and to follow the format below as closely as possible. The Guide doesn't answer the questions or comment on them, but encourages everyone else to do so and keeps the discussion going. The ideal Community Coregroup size is between six and twelve people. There are [detailed guidelines](#) for how these groups function and create a safe, inclusive environment. People with different personalities and strengths will have different approaches to guiding and participating, but the intent is always the same: to empower the participants.

## Public Information Clearinghouse

Initially I had conceived of this idea as mainly for producers and consumers of goods and services - as a way to manage that relationship in an informed way, based on people's values orientation and hierarchy. Then I realized that this actually extends to all information in all areas of life, and has particular import for an accurately informed Direct Democracy. For example, what is the consensus around some concept or approach in a



given discipline? What is the proven efficacy of a given treatment, medication or procedure? What independent confirmation of a set of facts is available from another source? How are sources of information rated, in terms of their historic veracity? What is the highest quality data available on a particular historic or current event? How can we have easy, fluid access to alternative viewpoints on a given topic, with tools to analyze those perspectives?

Right now the answers to such questions will be generated by the exhaustive diligence of the information consumer, or their trust in a given information authority or source, or whatever pops up at the top of a search engine result. And this is really not a good system, especially with respect to maintaining and informed electorate. Instead, independent, competing non-profit organizations, with oversight from both elected officials, citizens councils and [daily direct democracy](#), can be implemented to offer not just the huge wealth of information available on the Internet, but **portals to analyze, sort, prioritize and verify that information** according to different methodologies, algorithms and self-defined preferences and values.



## **Article VI: Regarding the Establishment of Social Credits and an Infrastructure and Essential Services Framework**

### **Problems To Solve**

Regarding infrastructure and essential services that are frequently socialized or regarded as fundamental staples of civil society, State-centric institutions and processes often induce bureaucracy, inefficiency and poor service levels, while privatization often increases cost, exploitation and [public injury](#).

Infrastructure and essential services are often taken for granted as rights or entitlements that do not require any clear reciprocation. This contributes to over-utilization and dependency, to the demoralization of service providers, and to resentment and criticisms of the “Nanny State.”

The tug-of-war over production of public goods often leads to clientism, cronyism, and other disruptions to democratic processes.

### **Proposed Solutions**

1. Create networks of non-profit community organizations, government entities and non-governmental institutions that compete to provide infrastructure and essential services: a [Universal Social Backbone](#)
2. Institute a system of [social credits](#) for utilization of infrastructure and essential services that is *tied to civic participation*

### **A New Enterprise Schema**

In order for a new values hierarchy to take shape in a Level 7 political economy, we need to create a different structure of enterprise configurations and interactions. Here are some of the elements I have proposed:

### **Categories and Tiers of Enterprise**

I would advocate for two categories of enterprise, each with multiple tiers. On the one hand, there would be a category of non-profit producers and service providers that compete with each other to provide all the features of the “Universal Social Backbone.” Due to necessities of physical-layer standardization (mass transit, for example), some would be larger, with less competition. Others could be smaller, community-level entities networked together (such as credit unions), with more diversity of competing services. This idea was inspired in part by non-profit health insurers in Switzerland who compete with each other for healthcare customers.



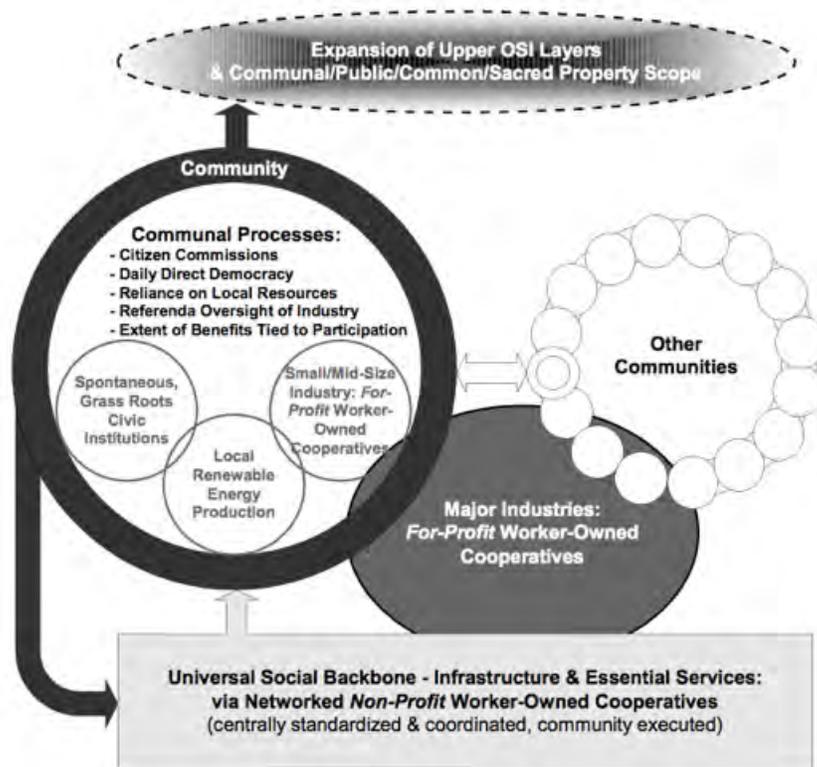
For a second major category, there would be for-profit enterprise participating in a more traditional exchange economy for goods and services above and beyond the Universal Social Backbone. This second category would also have multiple tiers. At the top would be certain major industries, especially those that a) have essentially become closed to rapid or major innovation, b) are de facto market monopolies, or c) otherwise dictate economies of scale with highly centralized controls. These would become worker-owned cooperatives subject to governmental oversight, with the level of government responsible for oversight always larger than the size and reach of the business itself. These would be much like the Universal Social Backbone category of non-profit enterprise, but in this case for-profit. There is no reason why this tier couldn't also compete with cooperatives in the first Backbone category, wherever that makes sense.

The next tier in the for-profit category would be networks of worker-owned cooperatives where both specialization and standardization have already narrowed the playing field (computing and communications, for example), but where monopolization of any one brand could still be capped at 25%. In this second tier, businesses could model flexible manufacturing networks in terms of distributed production and coordination.

Lastly, in a third tier of enterprise in the for-profit category, would be sole proprietorships or very small businesses - perhaps five people or less - that could, at least initially, follow the more traditional model of private ownership.

For all of these categories and tiers, the people will have a voice and regulatory influence via direct democracy, citizens councils, community NGOs and CDCs, and [elected technocrats](#). The objective will be to subjugate business activities to civil society, rather than inverting that relationship as it is today. Instead of managing business-consumer relationships either punitively, through the court system, or via heavy-handed regulation by the State, community-level civic institutions will become the central mechanisms of oversight. In addition, the atomistic illusion of “the empowered individual consumer,” who is just being exploited through their isolation and dependency on purchasing substitutions for well-being, will be shattered by direct civic participation, and by attenuation of the profit-motive through worker-ownership and non-profit culture.





Intellectual property would follow a similar path to collective ownership as we inevitably move towards an Open Source orientation, achieving maximum knowledge diffusion, contribution and collaboration. Remember that, for those whose level of moral maturity requires personal benefit to incentivize innovation, socially productive efforts are still rewarded via the *social credits system*. But there would be no longer be the massive concentrations of wealth resulting from exclusive ownership by individuals or organizations, so that patents, trademarks and copyrights would tend to be collectively held and have relatively brief legal durations – perhaps ten years at most.

### ***What Should be Included in Infrastructure and Essential Services?***

These are the fundamental products, institutions and services necessary for any sort of complex society to function at the most basic levels, and which have already tended to be socialized in most mixed-economies. Roads, bridges, water, electricity and communication are the first tier of this category, followed by more abstracted products and services that build on those foundations, but are still perceived as universal expectations by the general public. This second tier is comprised of the systems and institutions that provide the backbone of civil society. For example, public transportation, public healthcare, public education, public safety services, social security, and so on. As expectations differ from one zeitgeist to the next, so would the scope of inclusion in these tiers. I happen to think basic banking and insurance services, basic nutrition, basic housing, mail delivery, fundamental scientific research, worker retraining, employment placement services, and unemployment benefits also fall under "infrastructure and essential services." One common thread of these

public domain industries, however, is that they facilitate trade for the second category of labor. This is a crucial point: without centrally coordinated infrastructure and essential services, there really is no way to enable a reliable (or equitable) exchange economy of any kind.

To whatever degree possible, *all of this should be organized and tactically managed at the community level*, with centralized standardization and support, subject to direct democratic control. Instead of centrally run state institutions or corporations, there would be **networked, non-profit, worker-owned cooperatives** that are centrally regulated but monitored, but administered with a substantial degree of autonomy at the community level. It might also be interesting for different regions to compete with each other for customer satisfaction, and be rewarded in some way for their success. If the service or product being delivered provides the most fundamental level of infrastructure or essential services, there wouldn't be competition for customers between the cooperatives, but the cooperatives would be limited in size (by service area, etc.), and subject to public input and scrutiny to ensure an adequate level of service delivery. If the service or product is not part of infrastructure or essential services, then the non-profit cooperatives could compete with each other for the same customers across different regions. So although there is a strong element of central planning here, the actual control and execution is highly segmented and distributed, both because of the divisions of government already alluded to, and the emphasis on community-level organization.

There should be some mechanism to ensure the Universal Social Backbone doesn't somehow undermine individual contribution to society by inoculating the least morally developed against survival or well-being concerns. That is, there would be some form of citizen reciprocation for this foundation, and consequences for a lack of reciprocation. So, for instance, everyone who receives benefits could participate in these very same programs as unpaid volunteers for short but regular periods of time, with consistent expectations of performance. If someone chooses not to volunteer, or willfully demonstrates exceedingly poor performance, their access to some or all of these services (or perhaps certain qualities of service) could be restricted. *This consideration of reciprocity is the basis for the Level 7 social credits system.*

## Social Credits System

Everyone would be assigned an annual allocation of social credits that begins accumulating at birth; these credits will be used exclusively for infrastructure and essential services (i.e. the [Universal Social Backbone](#)), and would not be tradable. The calculation could, at least initially, be based on conceptions like the [social dividend](#), since there would be a loose correlation between social credits and an individual's portion of national (as opposed to local) [common property shares](#). The major difference regarding social credits has to do with their a) variability of *quantity* based on age, and b) variability of *quality* based on civic participation, cultural contributions and accumulated infractions. While the quantity of social credits will progress in a predictable, linear fashion for all citizens, the quality of those credits can vary greatly - either regarding the entire balance, or a portion of that balance. Consistency of allocations, tracking and quality adjustments clearly has paramount importance here, as does the strict attachment of social credits accounting to each individual's unique digital identifier to prevent misuse or fraud.



As to how the quality adjustments are made, this is likely something that will evolve over time as the program matures. As a first take on such adjustments, the following factors might be considered:

- Participation in citizens councils
- Participation in daily direct democracy (with controls that weed out arbitrary or automated participation from thoughtful engagement)
- Personal contributions to culture, economic productivity or innovation, liberal arts theory, education, technology, science, fine arts, or any other dimension of society that likewise would increase common property shares at the community, district, state or national levels.
- Personal contributions to the Public Information Database
- Participation in NGOs that successfully serve community interests.
- Participation in infrastructure and essential services that require high levels of technocratic skills, technical expertise, experience, knowledge or worker risk.
- Volunteerism in infrastructure and essential services or NGOs at any level.

Questions do arise about transferability. For example, what if someone who has enhanced the quality of their social credits beyond any usable level for their age or needs would like to enhance the social credits of others who are disabled in some way, or even someone who seems particularly deserving but whose efforts aren't recognized in the standard calculus? In such instances, it seems like they should be able to do so, perhaps through a civic lottery system made available to a) citizens nominated by a community for special consideration, or b) citizens with credits below a specific threshold of quality who desire a one-time "second chance" opportunity to improve their credit quality. This is in keeping with the idea that surpluses in society can and should be shared with those less fortunate. At the same time, there could be limits on such transfers (the duration of quality change, the quantity of credits affected, etc.) so that a temporary uplifting experience of higher quality infrastructure and essential services acts as an incentive to improve one's own credit quality through prosocial, productive, creative, compassionate behaviors.

### ***What Do Different Quality Levels of Infrastructure and Essential Services Look Like?***

This is an interesting conundrum and depends both on what is included in infrastructure and essential services, and how sophisticated or developed the Universal Social Backbone becomes. And since, in the initial implementations of a Level 7 economy, networked for-profit and non-profit enterprise will compete for Universal Social Backbone customers, some natural specialization and market differentiation will occur. There will undoubtedly be higher and lower quality options for education, mass transit, healthcare, communication, CLT housing, recreation and so forth. I can imagine the highest quality social credits being associated with rare or extraordinary experiences - trips into space, temporary residence in an mountain-top estate, front row seats at the finest entertainments, exclusive education from the most accomplished professionals in their field, access to the most advanced health-



enhancing technology, etc.

Could this service quality variation create a multi-class society of haves and have-nots, mimicking the current capitalistic phenomenon of growing wealth disparity? Yes, it could *temporarily* do so - but with significant differences. First, the “low-quality” options will actually be very good - probably much better than what is currently available. Second, the “higher-quality” recipients will not have achieved their privilege through deception, exploitation, aggression or any other nefarious means; they are being rewarded for their positive, prosocial, compassionate contributions to society as a whole (for example: the greatest good, for the greatest number, for the greatest duration). And what portion of such persons, do you think, would want to share their privilege with others where possible? I suspect a fair number. Remember also that higher quality social credits are not permanent, but only for a limited duration. Even for large accumulations of high quality social credits, if civic participation or contribution is not maintained for an extended period, the quality of those credits will begin to decline.

### ***Can We Anticipate Moral Hazards, System Gaming or other Unintended Consequences?***

First we have penalties that are inescapable, directly impacting social credits themselves. For more systemic problems, entire communities could put themselves at risk due to the linkage between social credits and common property shares. So although it may certainly be possible to temporarily manipulate the availability or quality of opportunities and outcomes, other mechanisms (direct democracy, citizens councils, technocratic administrators, competing for-profit and non-profit enterprises, etc.) will very likely discourage or adjust such situations. Indeed, as seems to have been evident in the Polis of Ancient Greece, the very ethos encouraged by direct civic participation and responsibility, along with the moral maturity that necessarily sustains Level 7 proposals, will hopefully short-circuit any flagrant abuses.

## **Article VII: Regarding the Relationship Between Property Position, Individual Liberty and Civic Responsibility**

### **Problems To Solve**

The [tyranny of private ownership](#):

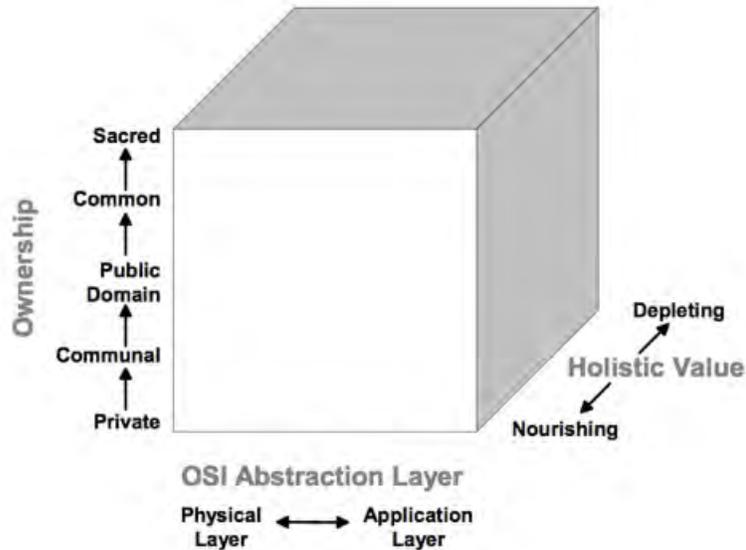
- Arbitrary and capricious valuation of goods and services
- Private accumulation that dictates how common resources are utilized
- Interference with personal and collective freedoms
- Wealth concentration (see [Article I](#))
- Amplification of individualistic materialism (i.e. moral immaturity)

### **Proposed Solutions**

1. Progressive implementation of [Level 7 property position](#) and [common property shares](#)
2. Creation and maintenance of an *holistic value* reference index for goods and services, as a combined effort of all four branches of government, with public feedback
3. Link [social credit](#) accumulations and utilization to civic participation
4. Diffuse institutional authority, distributing local decision-making to community-level organizations
5. Elimination of [corporate monopolies](#)
6. [Community Coregroups](#) to advocate shared values, the [unitive principle](#) and moral maturity

## Change in Property Orientation: The Level 7 Property Position

### *Getting a Handle on Property*



To begin, here are seven terms in Roman law that described different forms of property and ownership, which for the most part have endured in legal concepts in the U.S. and elsewhere:

- **Res nullius:** Something that could be owned, but as of yet is not. ***Potential property.***
- **Res privata:** Something that is privately owned. ***Private property.***
- **Res universitatis:** Property owned by an exclusive community for that community's benefit. ***Communal property.***
- **Res publica:** Property that could be owned (privatized) by anyone, but which is reserved for collective public use. Since this public benefit is usually enforced by the state, res publica is often associated with state oversight. ***Public domain property.***
- **Res communes:** Something tangible that cannot be exclusively owned by anyone, mainly because of its boundaryless nature. For example, the air, or the oceans. ***Common property.***

- **Res divini juris:** Something tangible that could be owned, but should not be owned because it is considered sacred. *Sacred property.*
- **Ferae naturae:** *Wild things.*

Apart from its *ownership* categorization, there is also a specific functional layer that different types of property inhabit. This is hinted at in a differentiation between tangible and intangible property, but this is an inadequate distinction. Instead, I'd like to apply something from my career in Information Technology: the Open Systems Interconnection (OSI) Model. In that model, all components of a network fit neatly into different layers, each having a unique and predictable function and scope (that is, the environment in which that function happens). Here is what these layers could represent as property designations:

- **Physical layer:** Tangible forms of property that are usually immovable and inert. For example: land, buildings.
- **Data Link layer:** Tangible forms of property that are usually immovable, and which often facilitate the conveyance of other tangible property. For example: roads, bridges, pipelines.
- **Network layer:** Tangible forms of property that are movable (even if temporarily immovable), and which may, by their nature, be able to contain and convey different layers of property. For example: vehicles, recording devices, communication and electrical lines, broadcast and relay antennas, computers, human beings, plants and animals, other living organisms.
- **Transport layer:** Property existing on the cusp between tangible and intangible, and which often acts as a conveyance medium for higher layer intangible property. For example: electricity, the electromagnetic spectrum, sound waves, psychoactive chemicals, the atmosphere.
- **Session layer:** Slightly more abstract intangible property that tends to be the nexus where all other layers intersect. For example: all creations of the mind, from fine art and inventions to philosophy and religion.
- **Presentation layer:** One more layer of abstraction and sophistication for intangible property, which tends to be intimately involved in creating lower property layers, and/or providing a context for the *application layer* to interact with those lower layers. For example: language, intelligence (human, animal or artificial), perception.
- **Application layer:** The most abstract and intangible forms of property, so far removed from the material world that their existence may be challenged and their contribution questioned, but which nevertheless seem both dependent on, and able



to create, lower layers of property. For example: Ideas, feelings, memes...and perhaps karma, spirit and soul.

What is happening here? From one angle, we could say that this is simply a changing scope of property function. But from another, what we are really observing is the complexification and *abstraction* of property itself. This evolution appears to be one of the consequences of advancing human civilization and expanding consciousness, and there is a suggestion that as we have progressed through the industrial and information revolutions, the tendency has been for larger and larger swaths of property to function in the more abstract OSI layers. However, these layers are strictly and hierarchically dependent, for without the *physical layer* there could be no *network layer*, without the *network layer* there could be no *transport layer*, and so on. And dependences travel in the opposite direction as well, for the *application layer* leads to the ongoing creation of the *presentation layer*, and the *presentation layer* leads to the creation of the *session layer*. In many ways, this *abstraction* and complexification of property has made it increasingly challenging to assign property via the classic Roman *ownership* categories. That hasn't discouraged attempts to do so, via our legal system and emerging social mores, but a lot of cultural tension seems to be generated around the speed with which property within more abstract layers is being created and exchanged, regardless of the prevailing political economy.

And finally we require one more axis of the *property matrix*, and that is the *valuation* of property. Exchange value isn't really relevant here, mainly because the different approaches to political economy, and subjectively perceived levels of scarcity or abundance, will determine different exchange calculations. Part of what does matter to us here is use value, as calculated not just in practical utility (such as electricity) but also in the more theoretical sense of cultural capital. We might say that use value in this context is the aggregate of our active desire for something, the objective dependence on something even if it is not desired, and how something is socially esteemed within a given network, all included in a scatter plot across a given collective. However, all of these end up being somewhat interchangeable in terms of use value. For example, every household depends on water, but in one household water is greatly esteemed and conserved because of the cultural capital resulting from "being water conscious." Yet in another home water is highly desired, but not conserved at all, creating a similar use value via an alternate calculation. In still another household, where the family prefers to bathe in milk, drink only champagne and send out all their cloths to the cleaners, water may not be consciously esteemed or desired, but it is still in demand, a necessity one step removed, because the cows, grapes and professional washing machines all use water to produce the desired products and services. There will be countless instances where the perception of use value varies from one culture to the next, or even from one person to the next within a culture, with additional variability over time, so the aggregate of esteemed, desired and dependent utility begins to point us toward what may at least be a way to calculate an intersubjective use value.

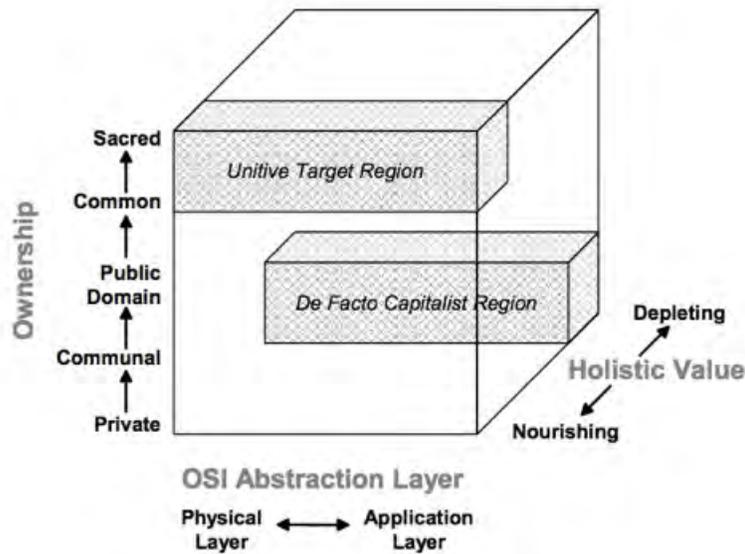
However, this still isn't a sufficiently well-rounded method of valuation. I would like to add one more factor, and that is how skillfully property contributes to effective, balanced nourishment. What I mean by "effective, balanced nourishment" will become clear when we discuss the twelve nourishment centers later on, but what I am really trying to do here is add a vast, usually hidden repository of externalities to the calculation. For example, if water is polluted with toxins and carcinogens, then its use value is greatly reduced. This is not because someone who consumes the water knows anything about these toxins and

carcinogens, it is instead a measurement of the additional costs required to offset these health dangers, either through treating people who get sick, treating the water so it becomes safe, or correcting the industrial practices that led to the pollution in the first place. When we combine such externalities with intersubjective use value calculations, we realize that any property that invites a widespread expectation of safe nourishment (such as water, food, air, etc.) has very high *holistic value*. So we see that quality supersedes quantity in such calculations; it does not matter if water is abundant, if that water is not safely consumable. In this way we redefine scarcity, because within *holistic value*, scarce quantity is equivalent to scarce (or difficult) quality.

Taking these three axes together, we have the vertical axis of *ownership*, the horizontal axis of *abstraction*, and the depth axis of *holistic value*. With these we can plot the position of property in any context in a three-dimensional way. The evaluation of *property position* within this matrix has nifty utility in any discussion where politics, culture and economics intersect, so we'll be relying on it both to elaborate on existing institutions and systems, and to describe potential departures from the status quo. In our case, the notion of "property" will expand even into aspects of the political process itself; in fact we may need to stretch the metaphor to its limits. As for the concept of *personal* property, that will for the most part be excluded from this discussion, though its existence is both assumed and implied throughout as an inherent extension of personal freedom.

When viewing political economies through the *property matrix* lens, what quickly becomes evident is that nearly all of them insist on controlling property through its position in the matrix. For example, even among anarchist ideals that reject authoritarian controls, *property position* is one of the persisting agreements without which anarchism could not function as proposed. How *property position* is enforced may vary among different anarchist proposals, and the institutions of enforcement may be more decentralized, but the fact is that some sort of force must of necessity be used to extend primary assumptions and preferences about property into a functional system, as well as to maintain that system over time. So regardless of what approach we take, and no matter how egalitarian or democratic our economic and political systems are, the mechanism of *property position* enforcement becomes central to its practicality and durability. Even if we advocate that all property should remain *common*, or that we should emphasize and celebrate property with a high *holistic value*, this assignment must persist in collective agreement, or it is just a fairy tale. So, once again, we arrive at that critical distinction between collective responsibility and individual freedom, for there will always be divergent opinions about where property should be located within the *property matrix*, either as the main focus of collective production or consumption, or as a privilege of individual accessibility or ownership.

## Unitive Property Positioning



## Common Property Shares

The concept of common property shares is intended to address the following issues:

- Establish a record keeping and trading unit for common ownership of property at all levels of abstraction (see OSI representation in [L7 Property Position](#) above).
- Help migrate away from fiat money and leveraged debt over time, creating semi-fungible backing for currency.
- Enhance collective consciousness and responsibility for all commonly held resources.

Here is a summary of the basic idea....

Right now when we stand in almost any location - populated or not - and look around, most of what we see are things that other people individually own, or things that corporation own. Cars, buildings, businesses, parks, forests, pastures and so on. But what if, instead, when we looked around at the same things, we felt a sense of communal ownership? And what if we knew - in a calculable, easily estimable and indeed semi-fungible way - the precise portion of that collective ownership that we had? And what if, just as common shares accomplish in business enterprises today, those shares also represented a voting right in how that property is managed, utilized, safeguarded and so forth? That is what common property shares are meant to accomplish.

Of course this relationship with public assets is already somewhat true regarding things like National Parks, the BLM, and Interstate highways, but here the relationship is abstracted by

highly centralized representative democracy, a fairly mysterious and opaque allocation of tax dollars, and a subjective disconnect from complex and often bureaucratic management processes for publicly held resources. With common property shares there is an additional layer of direct control over such such resources - that is, in addition to citizens councils, daily direct democracy, and other Level 7 [democratic reforms](#) outlined here. But how does this work?

It's fairly simple really. There would be a data repository - an accounting and tracking system - of all commonly held assets that acts as the backing for currency. So, when we look around us we will see the actual backing for the currency we use in our economic transactions. If those assets are maintained, the value of our currency is likewise maintained; and if those assets are depleted or destroyed, the value of our currency is reduced. Of course, there would need to be a carefully balanced proportionality between local, national and international currency valuation and local, national and international common ownership systems; we would want to diffuse (or aggregate) the backing variability as much as possible to create stability, while still encouraging localized contributions to the whole. Some universal percentage of the common property shares would therefore be allocated to district, state and national common repositories, as distinct from community allocations. In this way, the backing for currency is as diffused as the issuance of currency.

Now we need to ask: what constitutes an asset? And this is where things get interesting, because, using concepts inherent to holistic valuation in an L7 property position, what a community creates or shepherds as "valuable" can correlate with any of the dimensions of Integral Lifework - at any layer of OSI abstraction. In this way, a community can increase its total common property shares, and the individual holdings of property shares among community members. From community to community the emphasis may vary, but the framework is shared across all communities (which is what makes the assets semi-fungible after all). In many ways, common property shares are a concrete representation of political obligation or collective agreement around civic responsibilities.



## **Article VIII: Regarding Replacing Individualistic Materialism with Collective Egalitarianism in Competitive Markets**

### **Problems To Solve**

- Extraordinary deception and exaggeration in advertising and reliance on “caveat emptor” justifications
- Creating or amplifying consumerist mindset and dependency on external solutions
- Careless and injurious “rush to market” mentality that disregards negative externalities, risks to consumers, etc.
- Increasing isolation and alienation of individuals from their communities
- Predatory or unethical ends-justifies-means anticompetitive business practices
- Abuse of legal system to enhance marketshare (patent trolling, frivolous lawsuits, etc.)
- Monopolization that disrupts healthy innovation and competition
- [Conspicuous consumption](#) resulting in excessive waste, unhealthy acquisitiveness and unsustainable resource depletion
- Targeting of vulnerable youth (children, teens and emerging adults) with harmful products, advertising and consumerist conditioning

### **Proposed Solutions**

1. Embed links in all advertising to [PIC](#) fact-checking on advertisement’s claims (...and possibly product reviews and comparisons as well?)
2. Disallow any and all advertising that targets vulnerable youth (including product placement or promotion in children’s media)
3. With the exception of new innovations (which have a grace period while other producers catch up), cap marketshare and production capacity on any well-established product or service at 25%. Technologies and approaches that prove to have ubiquitous application and real-world superiority to everything else should be considered for integration into the [Universal Social Backbone](#)
4. Inclusion of [holistic valuation](#) in product development, licensing and regulation in accordance with the [precautionary principle](#)
5. Accountability of local businesses to the communities in which they operate via [daily direct democracy](#), CDCs, citizens councils and community NGOs
6. Reconfiguration of goods and services production according to a Level 7 [enterprise schema](#), and encouraging friendly competition between these enterprises



## **Article IX: Regarding the Restructuring of Banking and Monetary Systems, and Reforming International Trade Relations**

### **Problems To Solve**

The electorate has little influence over banking and monetary systems, or over international trade relations, which has resulted in:

- Regulatory capture of SEC by self-serving corporate interests
- Runaway leveraging and other unbacked credit risk
- Exploitation of developing countries (IMF and World Bank [structural adjustment programs](#))
- Financialization of economy and runaway speculation and derivative instruments
- A fractional reserve system that inherently undermines and destabilizes fiat currency (requires deposit insurance, etc.)

Banking and monetary systems encourage socialization of risk, privatization of profits, and ever-increasing levels of debt

### **Proposed Solutions**

1. Return strategic control of monetary policy, banking practices and international trade practices and agreements to the people - via [direct democracy](#), citizens councils and networks of member-owned credit unions, while allowing tactical administration of the same by [elected technocrats](#)
2. Ultimately the goal would be to close down Wall Street entirely. Short of that, in parallel to transitioning to member or [worker-ownership](#) of all businesses so that they are primary/majority shareholders, scale back (and in some cases eliminate altogether) public stock offerings except in instances of disruptive innovation startups that require startup capital, and restrict all such offerings to minor percentages of shares, held for set periods of time, specifically to discourage speculation
3. End derivative investment instruments and automated trading, then limit both the volume of public shares for a given enterprise that can be traded, and the number of times each share can be traded over a specific interval of time
4. Eliminate trust-debt relationships with respect to currency and decentralize currency issuance via the digital domain. Instead of fiat money, allow distributed creation of representative money backed by [commonly held non-leveraged semi-fungible assets](#)



5. Eliminate systems of credit over time by migrating more and more property away from private ownership to common ownership status, while at the same time promoting community-centric democratic control of all property. For example: if mass transit is sufficiently widespread and reliable to eliminate the need for privately owned vehicles, most housing and agricultural and commercial real estate are made available through [Community Land Trusts](#), and initial investments in new enterprises are in largest part held by member or workers as tradable common property shares, then the necessity of credit would be precipitously reduced
6. Eliminate IMF and World Bank exploitation of developing countries, and instead implement [interdependent micro and macro programs](#) that encourage sustainable self-sufficiency, enhanced democracy, and other Level 7 approaches and institutions among countries who ask for assistance
7. Favor a stable exchange rate and independent monetary policy over free capital flows internationally

### Linking Micro & Macro Development Programs

While it is fairly easy (and common) for positive results of development aid to be measured at the community or organizational level (micro), it is much less common (and much more difficult) to measure the positive impact in terms of GDP, overall wealth production and distribution (per capita income, etc.), or fundamental economic or other improvements to the broader target culture (macro level). The argument generally goes something like this: if there aren't adequate trade, fiscal, monetary and banking stability (and lack of corruption) already in place, then developmental aid is just "pouring more water into a broken cup." Right now it seems as though there is contradictory data about the best approach to development aid - depending on what metrics and analysis methodologies are used - and ongoing doubt about efficacy of existing approaches. Some data analysis shows a consistent positive correlation between aid and growth over an extended period of time, and other approaches to the same data are less confident of any correlation. However, at the micro and meso levels there is a sound consensus about how to measure positive outcomes. Suffice it to say that, although this seems to still be an unresolved question in some circles, the studies that utilize the most variables over the longest periods generally confirm that there may not be a micro-macro paradox at all.

Here's my take on this... Suppose you have to aid programs. One targets providing cell phones to rural entrepreneurs in a specific region (micro), and the other targets developing wireless infrastructure across an entire country (macro). The benefits of the micro program are easy to measure, right? The entrepreneurs either flourish because they now have cell phones, or they don't, and this will become evident in a relatively short time. But how do we measure the constructive benefits of the macro program? It may be several years - perhaps decades - before the national wireless network is fully utilized. Also, there is more opportunity for corruption, cutting corners, lack of performance accountability and other interference for the macro program, so the larger investment may seem riskier and less sound. But what if we then fold the micro program into the macro program, and show that (obviously) the successful micro program won't work in certain areas of the country unless the macro program is funded as well? I think this is the sort of metaphorical linkage



that could help doubters understand why there may sometimes *appear* to be a micro-macro paradox, when actually there isn't. It also may be the key to driving larger investments, using the pilot principle, that deliberately link micro and macro development projects as they facilitate targeted Level 7 outcomes.



## **Article X: Regarding an End to Militarism and WMD**

### **Problems To Solve**

The endangerment of all life on Earth through the constant striving of nation states to gain the upper economic hand using (or threatening to use) militarism or weapons of mass destruction. This is frequently a consequence of:

- A thriving military-industrial-congressional complex
- War-profiteering by those with a [neoliberal agenda](#) who infiltrate government institutions
- Individualistic materialism (i.e. moral immaturity) that justifies individual and collective aggression
- Permeating “culture of violence” within entertainment, communities and institutions

### **Proposed Solutions**

1. Lead by example (attenuate international militarism and WMD development and stockpiles)
2. Link the quality, orientation and extent of trade relations with international peers to their demonstrated societal moral development (inclusive of evidenced militarism and WMD development and stockpiling)
3. Change the Constitution to reflect a [two-stage direct democratic control](#) over military budgeting and major military actions
4. Create alternate, nonviolent, collectively binding mechanisms for conflict resolution, law enforcement, correctional institutions and international disagreements



## **Article XI: Regarding the Equalization of Feminine and Masculine Power, Institutional Bias, and Other Social Justice Considerations**

### **Problems To Solve**

Persistent [disempowerment and denigration of women and feminine power](#), in order to amplify the positional privilege of men and the primacy of masculine power, as evidenced by:

- Male-dominated institutional control of women’s reproductive rights
- Unequal pay between genders for equivalent work
- Low representation of women in institutional leadership
- Sexual harassment, sexual objectification and rape of women
- Denigrating attitudes and language towards women as a cultural norm
- Systemic disrespect for feminine power, and safeguards protecting masculine power

Institutional amplification of racial, gender and economic inequality:

- Institutionalized racism, sexism and classism (examples: [housing policies](#) that negatively impact low-income, minority and inner city populations; ethnic marketing of [unhealthy](#) and [addictive](#) consumables; excessive incarceration of minorities and targeting by law enforcement; gender inequality in how child support and custody are awarded, or how rape and domestic violence are perceived and remedied, etc.)

### **Proposed Solutions**

1. Only women can vote on women’s reproductive rights (at any level of government)
2. Institute goal of 50% female representation in institutional leadership – as reward for merit – with aggressive timeline for implementation
3. Investigate efficacy of chemical castration (with variable duration based on offense) as a mandatory component of sentencing for anyone convicted of rape or other sexual offense
4. Equal compensation for all genders and LGBTQ orientations of equal ability - period
5. Promote [interculturalism](#) in features of the Universal Social Backbone, direct democracy, citizens councils and public policy - rather than reinforcing cultural divisions and isolation in civic/economic institutions
6. [Community Coregroups](#) to advocate shared values, the [unitive principle](#) and moral maturity



7. Diffuse institutional authority, distributing local decision-making to community-level organizations
8. [Criminal Justice System reform](#), and other changes to the rule of law
9. An equal focus on systemic disadvantages for men that reflect innappropriate bias

## The Rule of Law

### *Proposed Changes to the Criminal Justice System & Rule of Law*

Many of the proposed changes in the rule of law will require [Constitutional Amendments](#) per **Article V of the U.S. Constitution**. Others could be enacted via legislation at local, state and federal levels. Here is a rundown of some of the major changes to be considered:

- Instead of incarceration and rehabilitation - which will be reserved for the most severe offenses - the main mode of accountability for criminal behavior (especially for “victimless crimes”) will be reducing access to higher-quality levels of the Universal Social Backbone, and increasing requirements for civil service. In addition, the local community - and especially those victimized by a given crime - would be actively involved in reconciliation with offenders. For more on this conception of justice, see [restorative justice](#).
- A mandate that incarceration for the more serious offenses is intended and structured for rehabilitation, moral maturation, and productive re-entry into civil society of offenders - via training and education (including intensive integral practice), various modes of talk therapy and medical treatment, and ongoing civic volunteerism. Incarceration would be viewed not as punitive, but as a way to protect and strengthen civil society.
- The “second chance” lottery: any first offender committing a property crime, or other crime without clear intent to cause serious bodily or existential harm to other people (i.e. a “victimless crime”), would be entered into an ongoing monthly district lottery that vacates their sentence (but maintains their criminal record). In other words, one convicted criminal would be released from incarceration each month in each district under this lottery (the lottery would not apply to convictions not resulting in incarceration).
- Community-level democracy would be implemented with respect to all levels of law enforcement and all law enforcement officers. Law enforcement at every level (local, regional, federal, prison guards, etc.) will be held accountable to local communities via two-stage Daily Direct Democracy. Any law officer at any level can be censured for cause by a community, so that they are restricted from entering that community or be actively involved with that community while performing their professional duties for a set period of time. If the officer transfers to another community after censure, and is consequently censured by a total of three different communities



during their career, they will be barred from all law enforcement positions. Likewise, prisoners may vote to censure prison staff for cause - though here such cause may need to be more narrowly defined. The objective in both cases is to empower communities to manage policing behaviors that abuse authority.

- Regarding capital punishment and life imprisonment, it seems like these should be eliminated altogether. Instead, it would seem prudent to investigate the linkages between testosterone and criminal aggression, to see if chemical castration (along with psychotherapy and other medical treatment) is a viable option for long-term behavioral modification.
- Elimination of corporate personhood and free speech rights, and establishment of alternative legal entity designation for businesses and organizations.
- Only women can vote on reproductive rights issues that impact the personal sovereignty of their gender.
- A Fourth Estate established as a formal, independently elected and funded watchdog branch of government.
- Elimination of the electoral college and establishment of two-stage voting, Citizens Councils, Daily Direct Democracy and other democratic reforms that offer the will of the people an advising, oversight and recall capacity in parallel with elected representatives.
- New laws enabling institutional monetary, financial and trade reforms at the national level.



## ***Article XII: Regarding the Normalization of Public Mental, Emotional and Spiritual Health as Integral to Holistic Health***

### **Problems To Solve**

Accelerating increases in mental, emotional, spiritual and physical maladies caused by stresses, pollutants, diets and habits of modern capitalist society.

- Expression of latent genetic dysfunction via stress-induced phenotypes, with phenotypical iteration and expansion in subsequent generations
- Epidemic increases in Type II Diabetes
- Disregard for, and stigmatization of, mental illness
- Commercial amplification of self-destructive habits and dependencies
- Fee-for-service healthcare and private insurance model inflate costs and induce perverse incentives

### **Proposed Solutions**

1. Institute prophylactic mental, emotional and spiritual well-being (i.e. development of healthful, self-nurturing habits) similarly to the way preventative physical self-care is already promoted
2. Encourage self-sufficiency in all dimensions of self-care instead of externalized dependencies
3. Integrate all healing disciplines (consider [Integral Lifework](#) triage model)
4. End fee-for-service model of healthcare, folding all health services into the [Universal Social Backbone](#) and focusing on holistic/multidimensional health outcomes



## Action Guide

Achieving Level 7 objectives (or any other flavor of significant transformation) will require several independent efforts, all occurring at once and for a sustained period of time – probably several years. I do not think they will require central coordination, but the intensity of engagement likely needs to be of a similar amplitude across the spectrum. Multi-pronged change mechanisms for each objective might include:

### Top-Down Systemic Change

Revisions to processes and institutions at the national and international level that support Level 7 proposals.

*Examples:*

- State and federal constitutional amendments to repeal corporate personhood, institute direct democracy in parallel with representative democracy, initiate banking and monetary reform (also in parallel with current systems), establish equality of feminine power, restore journalistic integrity, etc.
- State and local initiatives that create nested citizens councils with oversight of government and enterprise, institute [algorhythmic redistricting](#), begin establishing a [Universal Social Backbone](#), etc.
- Legislate incentives for transitioning enterprises from shareholder ownership to [worker ownership](#)
- Legislation that embodies other Level 7 principles and proposals (practicing the precautionary principle, distributed green energy production, public priorities database, [sustainable design](#), etc.)

### Grass-Roots Populism

Engagement and education of the public to promote revolutionary change via mass movements.

*Examples:*

- Create independent Open Source, crowd-populated [“Public Information Clearinghouse”](#) as proposed
- Promote activism, education and Level 7 ideas via social media
- Organize for popular support of top-down constitutional amendments and initiatives
- Create multimedia representations of Level 7 proposals for mass distribution
- Organize protests other nonviolent group action to promote Level 7 transformations



- Develop K-12 multimedia outreach to educate about Level 7 and personal integral practice

### **Disrupting the Status Quo**

Deliberate sabotage of highly destructive but persistent social, economic and political mechanisms that obstruct progress toward Level 7.

*Examples:*

- Hacktivism of most nefarious actors (i.e. who promote a neoliberal, pro-corporate, deceptive, destructive or self-serving commercialist agenda)
- Work with unions to migrate businesses toward worker-ownership
- Disrupt commerce (retail boycotts, production and distribution interruptions, etc.) involving products or services with “perverse utility” or antagonistic holistic value
- [Disrupt pro-capitalist misinformation and PR campaigns](#)

### **Exposing Misinformation & Pro-Corporatocracy PR Campaigns**

Identify, call out and counter the constant stream of misinformation that perpetuates irrational faith in crony capitalism and corporatocracy:

*Examples:*

- Flag fake news memes on social media
- Provide community with correct facts
- Answer questions and concerns of folks who have been misinformed

### **Recruiting Elite Change Agents**

*Examples:*

- Find members of the wealthy elite who are willing to endorse Level 7 proposals and can [help actualize solutions](#)
- Promote narratives that frame worker ownership, direct democratization of institutions and enterprises, and diffusion of wealth and political power as the extraordinary philanthropic aims that they are
- Persuade existing power brokers to relinquish counterproductive agendas and influence



## Community-Centric Pilot Projects

Developing exemplary institutions, civic engagement and activism at the community level.

*Examples:*

- [Develop NGOs](#) that promote and actualize Level 7 proposals at the community level
- Establish Community Land Trusts with common property shares
- Develop community green energy production and distribution facilities
- Initiate and maintain [sustainable design](#) projects individually and communally
- Advocate credit union banking - especially those institutions that identify as smaller community banks
- Create citizens councils that actively advise existing institutions (until initiatives can formally authorize their roles and responsibilities)
- Advocate Level 7 guiding design principles in existing community institutions
- Establish new goods and services enterprises that emulate the Level 7 enterprise schema

## Individual Development & Supportive Networking

Personal and collective education, multi-dimensional nurturing & moral development to facilitate the unitive principle.

*Examples:*

- Establish [Community Coregroups](#) around the country to mutually educate and participate in Level 7
- Create action-lists of personal choices that energize Level 7 transitions to share with others
- Contribute to Public Information Clearinghouse database
- Advocate Level 7 guiding principles in local community, in the workplace, etc.

Note regarding individual development and supportive networking: In the context of Integral Lifework, it is critical to appreciate that multidimensional nurturing and development is a prerequisite and parallel practice to [revolutionary integrity](#) and activism. To understand this relationship, consider reading [A Mystic's Call to Action](#).



## Socially Engaged Art

Artists engaging the community in participatory art projects that increase social consciousness around Level 7 concerns.

*Examples:*

- Community sing-along concerts that protest inequality, owner-shareholder exploitation, destruction of the environment, etc. and express demand for greater democracy throughout all private and public institutions.
- Public interactive art installations that educate about direct democracy, worker-ownership, the precautionary principle, etc.
- Plays - preformed in openly accessible community spaces, and with audience participation - that model new forms of civic engagement (citizens councils, daily direct democracy, recall elections, the social credits system, etc.)

Although there are other examples of action items peppered throughout the [Level 7 website](#), individual and collective action is probably the most critical opportunity for participatory mechanisms. At some point, the web should be used to consolidate input and planning; for example, creating a portal to searchable databases for all ongoing Level 7 efforts and avenues of involvement.

## How Change Occurs

There is a potent mythology circulating within our modern Zeitgeist that revolutionary transitions must be chaotic, disruptive and destructive; a phoenix rising from the ashes of disruptive crisis. I think this is a mistaken assumption. In my own efforts to envision and reify positive change on many different levels, I have sought to explore and embody transformative practices and ideals that are fundamentally constructive, additive and synergistic – a multidialectical synthesis rather than an inherently dominating or combative process. Which is why I call it compassionate transformation. It involves these primary components, the details of which are discussed in more detail throughout my writings on [Integral Lifework](#):

- An acknowledgement of personal responsibility, consciousness and planning to bring about constructive change; a commitment to personal agency must supersede reliance on institutional agency or externalized dependence – which ultimately lead to disconnection, apathy and self-disempowerment.
- The persistent guiding intentionality to work toward outcomes that provide the greatest good, for the greatest number of people, for the greatest duration – doing so skillfully, in ways that acknowledge and support both obvious and obscured interdependence.
- A focus on nourishing, nurturing and strengthening all dimensions of being in ourselves and others, with the primary aim of exercising compassionate affection, but also to encourage moral maturity and higher altitudes of individual and collective moral function. Our core strengths, resilience and creativity will issue from these mutually supportive



relationships.

- A profound investment in understanding, respecting, including, honoring and celebrating diverse experiences, perspectives, cultural traditions and levels of understanding in all participatory mechanisms, while at the same time integrating them (in the sense of [interculturalism](#)), rather than encouraging isolation or separateness. Here we appreciate our togetherness, necessary interdependence, and uniqueness all-at-once.
- Patience and acceptance with the process of healing, educating and transforming self, family, community and civil society. This will be a difficult challenge. There will be setbacks. All of us are likely to stumble through confusion, loss, distractions and emotional turmoil; there will be internal chaos in the midst of liberation. And the only meaningful answer to this pain is self-directed compassion - *a stubbornly enduring love-consciousness*.

For a more thorough discussion of this topic, please read my article on [Revolutionary Integrity](#).

## A Sense of Urgency

Regarding many of the [destructive consequences of capitalism](#), the data is already in. Climate change influenced by human industry is real and will have devastating consequences within our lifetime. Species extinction as a result of pollution, hunting and commercial habitat destruction is accelerating, and we will likely see some 60% of the genetic diversity of Earth vanish within then next few decades. Apart from the increases in mental illness and lifestyle-induced diseases like Type II diabetes, there is strong evidence that stress-induced phenotypes that negatively impact our mental and physical health can be passed on to subsequent generations. The ongoing and highly volatile boom-bust cycles of growth-dependent capitalism are well-documented and have increasing global impact. And of course the exploitation of labor - in the form of sweat shops, child labor and prison labor in the developing world, as wage and debt slavery in the U.S., and as human trafficking almost everywhere - is ceaselessly creative in its manifestations. And, sadly, all of these downward spirals have been predicted for a very long time - they have just been scoffed at and ridiculed by plutocrats who fear their cookie jar would be taken away.

In fact, we can reliably say that whenever pro-capitalist conservatives become agitated enough to initiate propaganda campaigns against scientific assertions or common-sense solutions, we can be fairly confident the underlying problems they are denying are real, and need to be addressed. Conservative pushback is the real canary in the coal mine here. This was intimated by the “Red Scares” after WWI and WWII, by doom and gloom predictions about everything from women’s suffrage to child labor laws to consumer and worker protections to the minimum wage, and of course by the “global warming hoax” of the last decade. There is an excellent example the mindset behind these objections in a memo written by Lewis F. Powell, Jr. in 1971 regarding the [“Attack of American Free Enterprise System,”](#) which is clearly energized by the mistaken belief that capitalism equates freedom. It was this memo that purportedly led to the creation of many now longstanding engines of propaganda against anything that threatens profitable destruction or corporate power (Heritage Foundation, Cato Institute, etc.). In this sense, the election of Donald Trump to be POTUS is a clarion call for assertive Level 7 action, and is potentially one of the final nails in the Earth’s economic, environmental, cultural and political coffin.



### *Moral Function, Political Economy & Self-Identification (November 2014)*

The following chart is a consolidation of developmental themes recurring throughout my writings on Integral Lifework. Some of the definitions and terms have been updated to reflect an evolving understanding and should replace previous iterations. Although important elements of the idea have been identified as part of a progression inherent to mystical gnosis (see [The Vital Mystic](#) and [Essential Mysticism](#)), “Unknowing Emptiness” is formally identified as a strata of moral valuation here for the first time; importantly, in more brief and diluted forms it is also a transitional component between the other strata. Within the chart are terms and concepts that are more thoroughly defined and attributed in the course of the works referenced in each column heading. Some of the principles of development covered in those works include:

- For development to occur, all dimensions of being as they are defined in Integral Lifework (see the [Integral Lifework Nourishment Assessment](#) for a summary, or [True Love, Integral Lifework Theory & Practice](#) for an in-depth description) must be consciously nurtured, harmonized and progressively integrated. This nourishment creates the supportive structures – both individually and collectively – that stimulate and support a moral maturation process.
- It is not possible to fully and consistently operationalize next-level moral valuations without first experiencing the intentions, habits and consequences of previous orientations.
- Development is not uniform, orderly or irreversible. Instead, each dimension of being may advance independently of the others, so that imbalances in nourishment tend to be reflected in lopsided maturation. Consequently, the resulting evolution is more like a dynamic dance than a linear progression.
- Compassionate integration of earlier values orientations does not preclude abandonment of certain elements of those previous orientations; in other words, as moral function evolves, some attitudes and priorities may become vestigial, subordinated or sloughed off entirely. It is important to differentiate this process from repression; instead, this is more of a de-energizing of unskillful or antagonistic concepts, relationships and patterns.
- The maturation of our values system – and inhabiting the moral strata as they are defined here – has consequences for both our [Functional Intelligence](#), our ability to [manage complexity](#), and our capacity for sustaining advanced civic ideologies and systems.

<b>Self-Identification</b> <i>(Memory : Self, 2010)</i>	<b>Strata of Moral Valuation</b> <i>(True Love, Integral Lifework Theory &amp; Practice, 2009)</i>	<b>Level of Political Economy</b> <i>(Political Economy and the Unitive Principle, 2013)</i>
<b>Unitive Infinite</b> Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all - so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree - but nevertheless carefully balanced - flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>	<p style="text-align: center;"><b>Level 10</b></p> <p>In Applied Nonduality, the concept of property and its categorizations, valuations and layers of abstraction evaporates entirely, and regression to into previous modes of exchange and valuation is inconceivable. The unending flow of an actualized, overarching purpose is all that remains here, as guided and energized by an all-inclusive love-consciousness.</p>
<b>Formless Infinite</b> Self Equates Non-Being, Non-Identification, “No Self”	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying stucturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>	<p style="text-align: center;"><b>Level 9.5</b></p> <p>As it manifests in a political economy, Unknowing Emptiness represents a period of turmoil and self-doubt, and has usually been a necessary component of transition from each Level to the next throughout development. Here, however, the unmaking of previous conceptions and orientations is more complete; a more vigorous annihilation of all that came before and all that as anticipated. Representations and abstractions of property may still be <i>sacred</i> (or valued), but constructs like <i>ownership</i> increasingly become erroneous to the core experience of unitive interdependency, and thus disconnected from exchanges and relations; the footing for values hierarchies evaporates. As may have been the case in previous Levels of political economy, we can experience the momentum of earlier structures, systems, valuations and purpose carrying us forward as operative habits, but we come to recognize that these, too, are nothing more than tenuous, conditional constructs. So this is the moment in the trapeze act when we collectively let go of the rope that has swung us here, without knowing for certain if there is another rope to grab on the other side.</p>

<p><b>Shared Spirit</b> Identification with All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates "the good of All" (that is, the greatest good, for the greatest number, for the greatest duration). "The good of All," in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion - a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>	<p style="text-align: center;"><b>Level 9</b></p> <p>Spiritual Universality begins to revise the <i>common</i> property designation still further. The desire to elevate intersubjectivity relaxes until a more unitive perspective permeates all valuations. Now there is a shared intuition that everything that once resided in other <i>ownership</i> categories is actually <i>sacred</i>. In fact, those previous categorizations are mainly perceived as destructive and unhealthy, and so any lingering subordinate relationships with property dissolve. However, because this stratum is so fluid - and because it can still be interrupted by regression - subordinate relationships may appear and disappear as required in continuously revising contexts. Despite these difficult but sometimes necessary hiccups, the primary flow of Level 9 is that the entirety of existence has intrinsic value, and so all human activity must engage that existence with unconditional compassion. There is also a strong intuition of a shared, unifying purpose, and an increasing desire to acquiesce into that purpose. At this stage, <i>holistic value</i> becomes equivalent to the <i>sacred</i>, intrinsic value that is collectively held.</p>
<p><b>All-Being</b> Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>	<p style="text-align: center;"><b>Level 8</b></p> <p>In Transpersonal Holism, the process of commonization is now complete. There may still be pockets within the commonized architecture that hold on to previous property categorizations, but they become exceptions that are functionally and systemically isolated within the accepted status quo. Because of the intersubjective validation promoted in this stratum, systems and institutions are resilient enough to tolerate a broad diversity of moral function while still advancing a higher order moral orientation, thus the tumult we saw in a World-Centric stratum subsides. Through this stabilization, many forms of what in previous strata were considered to be <i>potential</i> property can now effortlessly be designated as <i>sacred</i>, purely to honor and celebrate their intrinsic value. In this level, the concepts of exclusion or exclusivity are so rare that even the designation of <i>personal</i> property becomes unnecessary. Thus even the concept of <i>holistic value</i> itself no longer provides significant differentiation from internalized values hierarchies or collective relationships with property. All the multiplicities of nourishment have now been integrated into a single thought field - an integral noosphere - so that <i>holistic value</i> becomes a collective experience and intuitive understanding that validates itself.</p>

<p><b>Earth Life</b>  Identification with Every Living System on Earth – All Their Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;">↑  <b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>	<p style="text-align: center;"><b>Level 7</b></p> <p>In the World-Centric moral valuation stratum, all previous property categorizations dissolve into a dominant <i>common</i> property paradigm. Because of a now firmly established interdependent systems orientation, any designations of <i>private</i>, <i>potential</i> and <i>communal</i> property become increasingly non-existent. Even <i>public domain</i> property becomes a temporary holding space for transition to <i>common</i> property assignment. We also see an enlarging scope of <i>wild things</i> set aside as perpetually <i>sacred</i>, not as an investment for future utility, but because <i>wild things</i> are esteemed in and of themselves (i.e. have intrinsic value independent of human valuation). Once the commonization of property is pervasive, there is no longer an elite class to disrupt or exclude others from sharing equally in property benefits. And because there is so little <i>private</i> property, a conventional exchange economy no longer exists in the mainstream. However, until commonization is complete, other property categorizations and their resultant economies and classes can persist, creating an organic, hybrid environment that is understandably tumultuous and unstable, but nevertheless reaches onward towards Level 8. At this stage, a subtle, multidimensional and highly sophisticated <i>holistic valuation</i> is replacing <i>exchange value</i> in human relationships with property across all OSI <i>abstraction layers</i>.</p>
<p><b>Human Society</b>  Identification with All People Everywhere</p>	<p style="text-align: center;">↑  <b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>	<p style="text-align: center;"><b>Level 6</b></p> <p>Arriving at the stratum of Principled Rationalism, the property organization of previous Tribal, Individual and Communal moral orientation is more vigorously challenged. <i>Public domain</i> property now becomes the ideal categorization, with <i>private</i> and <i>communal</i> assignments subordinated to that objective. For the first time, setting aside <i>wild things</i> as <i>sacred</i> may be considered, but mainly as an investment for future resource depletion or other <i>public domain</i> need; so, provisionally <i>sacred</i> until a scarcity crisis assigns it to <i>potential</i>. The desire to maintain an egalitarian <i>public domain</i> property categorization can, however, lead to behaviors that echo previous moral orientations; for example, a de facto elitist privatization of property "held in public trust" but controlled mainly by the most influential class, for the benefit of that class. <i>Holistic value</i> calculations now have a much more diverse and inclusive basis, as collective understanding of what constitutes nourishment and the interdependence of all nourishment dimensions becomes more sophisticated. <i>Exchange value</i> is increasingly aligned with this more complex <i>holistic value</i> across most OSI <i>abstraction layers</i>.</p>

<p><b>Affinitive Community</b> Identification with All People Who Share the Same Values or Experience</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences, rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>	<p style="text-align: center;"><b>Level 5</b></p> <p>As Individualistic imperatives wane, a more Communal flavor of property assignment takes hold. Initially, there will be a desire to maintain <i>private</i> property for personal gain, but eventually that privatization is understood to be collectively shared by an exclusive group, and collective advantage begins to outweigh personal advantage. Tentative <i>public domain</i> property is still assigned because of its exchange facility within the community and with other communities, but it retains its <i>potential</i> to become <i>communal</i> property, especially if other, highly valued resources become depleted. In these strata anything not perceived as having such <i>potential</i> may be relegated to <i>common</i> or <i>sacred</i> property, once again increasing prestige for the community, but this orientation is eventually held with less exclusivity, and a more generous attitude of access and benefit to other communities. A fuller understanding of interdependent nourishment processes leads to a broader, more inclusive calculation of <i>holistic value</i>. Positive and negative externalities now gain importance in that calculation as well, especially when they impact social capital within and between communities. Thus <i>holistic value</i> begins to influence <i>exchange value</i> to a greater degree.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; non-conformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>	<p style="text-align: center;"><b>Level 4</b></p> <p>In Individualistic moral orientations, <i>communal</i> property becomes increasingly employed for the collective benefit of affinitive or opportunistic associations, and we might even see the first glimpses of <i>public domain</i> allocation beyond the facilitation of secure exchange, if only to be perceived as concerned about the collective good. However, even such <i>public domain</i> assignments will be tentative; in reality everything in the <i>public domain</i> is still <i>potential</i> property, only temporarily or conditionally set aside. So <i>private</i> property still maintains its principal importance in these strata, if sometimes dressed up for the constructive illusion of collective advantage. Assignments of <i>sacred</i> property are also tolerated for the same reason, but <i>wild things</i> are still viewed as <i>common</i> or <i>potential</i> property. <i>Holistic value</i> can now be calculated more flexibly, with a perceived advantage-of-the-moment in mind, along with all previous input streams. Nourishment differentiation is</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	

<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>	<p>more defined, but its interdependence is not yet appreciated, and so negative externalities are generally dismissed. Thus <i>holistic valuation</i> still has little correlation with <i>exchange value</i>.</p>
<p><b>Secure Tribal Position</b> Identification with "My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with - and subjugation of - other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>	<p style="text-align: center;"><b>Level 3</b></p> <p>As moral function evolves through Tribal strata, a more <i>communal</i> categorization may take hold for a few shared resources, but the emphasis will still remain on extensive privatization and various hierarchies of <i>private</i> property. Even from a Tribal perspective, "communal" may just represent a form of elitist privatization for the most influential class, and so here, too, anything not yet privatized will be viewed as <i>potential</i> in nature, including <i>wild things</i>. <i>Public domain</i> property is only grudgingly tolerated in order to facilitate and secure an exchange economy for <i>private</i> property. <i>Sacred</i> property may be defined in these strata, but only for the prestige or perceived advantage of the tribe in competition with other tribes. Now externals begin influencing <i>holistic value</i> formation, as the tribe's priorities usurp personal gratification. However, <i>holistic valuation</i> remains fairly abstracted from <i>exchange values</i>.</p>
<p><b>Insecure Tribal Position</b> Identification with "The People I Want to be My People"</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is "right" or "wrong" is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small - a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>	
<p><b>Ego Identity</b> Identification with Ego</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>	<p style="text-align: center;"><b>Level 2</b></p> <p>In the Egoic valuation strata, an I/Me/Mine moral orientation organizes property into the most <i>private</i>, personally consolidated state possible. Anything that hasn't yet been acquired is viewed as <i>potential</i> property, and nothing is <i>sacred</i>. Likewise, <i>holistic value</i> is generated through I/Me/Mine calculations, and there is only a vague sense of nourishment differentiation, usually derived from the current and most compelling appetite.</p>

<p><b>Formative Identity</b> Developing Ego and Ego-Identity</p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>	
<p><b>Unformed Identity</b></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>	<p style="text-align: center;"><b>Level 1</b></p> <p>In Egoless Raw Need, property <i>ownership</i> categorization hasn't yet occurred. In a strange sense, all property is probably viewed as <i>common</i> and boundryless; it is a limitless resource existing only to service to fundamental appetites and willful imperatives. There is not yet a care for, or conception of, <i>ownership</i> assignment or exclusion. In the same way, <i>holistic value</i> is monodimensional: there is only the primary and singular raw need that subjugates all nourishment differentiation.</p>

Elements of these progressions have been theorized and speculated about by a number of thinkers – Aristotle, Paul of Tarsus, Marcus Aurelius, Plotinus, Thomas Aquinas, Rumi, Hefez, Teresa of Avila, Spinoza, Leibniz, Hume, Rousseau, Smith, Kant, Hegel, Mill, Freud, James, Tielhard de Chardin, Jung, Piaget, Underhill, Aurobindo, Merton, Lewis, Maslow, Krishnamurti, Freire, Gebser, Loevinger, Graves, Murdoch, Fowler, Kohlberg and Wilber...to name just a fraction. And although many of these ideas can be experientially confirmed as legitimate placeholders for an emergent psycho-social-spiritual process, it is extremely difficult to empirically validate them. So for now this is just a theory, and one that relies in equal parts on *gnosis*, felt sense, intellectual intuitions, rational dialectics and creative extrapolations; exclude any of these contributing streams from the field of synthesis and the theory will lose cohesion. I also suspect there are additional gradations to be defined. My hope is that the application of Integral Lifework's nourishment paradigm in various contexts, and by large groups of people who have committed themselves to the greater good, will produce a large enough body of evidence to either refute, revise or expand these developmental correlations.

For additional information about the larger body of my work, please visit [www.tcollinslogan.com](http://www.tcollinslogan.com). For more information about Integral Lifework, please visit [www.integrallifework.com](http://www.integrallifework.com).

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# THE DEMOCRATIC FIRM

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David P. Ellerman\*

The World Bank  
Washington, DC

The original book is long out-of-print. This is a revised version that was published in Chinese as: *The Democratic Corporation* 1997, Xinhua Publishing House, Beijing.

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# *Introduction*

## **Capitalism, Socialism, and Economic Democracy**

The socialism of state ownership—state socialism—is no longer considered a worthy goal in almost all the countries that used to be "socialist". Central planning has been abandoned in favor of the market. There are many types of market economy. The Anglo-American type of a capitalist market economy is one widely studied and highly acclaimed model. There are, however, alternative forms for a market economy. For example, the Japanese economy is today more and more recognized as representing an alternative to the Anglo-American model (rather than just an "imperfect" imitation of the Anglo-American model). China is currently evolving towards a model referred to as a "socialist market economy."

This book argues that the Anglo-American model of a capitalist economy is not an ideal type. Indeed, the book argues that Anglo-American capitalism (hereafter referred to simply as "capitalism") suffers from a deep-lying inconsistency wherein it violates the basic principles of democracy and private property—principles often but mistakenly thought to be fundamental to capitalism. There is an alternative form of a market economy based on democracy and justice in private property. This book is about that alternative form of a market economy.

A *democratic firm* (also “democratic worker-owned firm” or “labor-based democratic firm”) is a company “owned” and controlled by all the people working in it—just as a democratic government at the city, state, or national level is controlled by all of its citizens. In each case, those who manage or govern are ultimately responsible not to some absentee or outside parties but to the people being managed or governed. Those who are governed vote to directly or indirectly elect those who govern.

A market economy where the predominant number of firms are democratic firms is called an *economic democracy* (see Dahl, 1985; Lutz and Lux, 1988; Ellerman, 1992).

This book is about the ideas, structures, and principles involved in the democratic firm and in economic democracy. The book develops new concepts or, rather, applies old concepts to new situations—such as the “very idea” of applying democratic principles to the workplace. The material is not technically demanding in terms of economic theory but it may occasionally be conceptually demanding.

Old words may be used in new ways. For instance, “capitalism” is often taken as referring to a private property market economy—but an “economic democracy,” where most firms are

democratic firms, is also a private property market economy. The distinguishing feature of a capitalist economy *vis-à-vis* an economic democracy is the *employer–employee relation*—the legal relation for the voluntary renting or hiring of human beings.

The commodity that is traded in the labor market is labor services, or hours of labor. The corresponding price is the wage per hour. We can think of the wage per hour as the price at which the firm rents the services of a worker, or the rental rate for labor. We do not have asset prices in the labor market because workers cannot be bought or sold in modern societies; they can only be rented. (In a society with slavery, the asset price would be the price of a slave.) [Fischer, et. al. 1988, p. 323]

In a democratic firm, work in the firm qualifies one for membership in the firm. The employment relation is replaced by the membership relation.

In ordinary language, “capitalism” is not a precisely defined technical term; it is a molecular cluster concept which ties together such institutions and activities as private property, free markets, and entrepreneurship as well as the employer–employee relationship. There has also been a rather far-fetched attempt to correlate “capitalism” with “democracy.” But this does not result from any serious intellectual argument that the employer–employee relation (which used to be called the “master–servant relation”) embodies democracy in the workplace.

Our normative critique is not of “capitalism” *per se* but of the employment relation or contract, so it must be sharply distinguished from a critique of private property (quite the opposite in fact), entrepreneurship, or free markets. In an economic democracy, there would be private property, free markets, and entrepreneurship—but “employment” would be replaced by democratic membership in the firm where one works.

The more subtle point is that the abolition of the employment relation does, nevertheless, make a change in property, markets, and entrepreneurship. This point can be illustrated by considering the related abolition of the master–*slave* relationship as an involuntary *or voluntary* relation. In a slavery system, “private property” included property in human beings and property in slave plantations. “Markets” included slave markets and it even included voluntary self-sale contracts. “Entrepreneurship” meant developing more and better slave plantations. Thus slavery could not be abolished while private property, free markets, and entrepreneurship remained unchanged. The abolition of slavery did not abolish these other institutions but it did change their scope and nature.

In the same fashion, we will see that the abolition of the employment relation in favor of people being universally the owners/members of the companies where they work would not abolish private property, free markets, or entrepreneurship—but it would change the scope and nature of these institutions.

This leaves us with a linguistic problem. How do we refer to the economic system we are recommending to be changed in the direction of economic democracy? The word “capitalism” evokes private property, free markets, and entrepreneurship which are not being criticized here. Yet there is no other widely accepted word that focuses attention specifically on the employment relation. Expressions such as “wage slavery” or “wagery” are too rhetorical. “Wage system” is currently used to refer to fixed wages as opposed to so-called “profit-sharing.” But “profit-sharing” is only a variable wage rate geared to a measure of performance, and it, like a piece-rate, is well within the confines of the employer–employee relationship.

We will therefore use bland expressions such as “employment system” or “employer-employee system”—when we are being careful—to refer to the system where work is legally organized on the basis of the employer-employee relation (with a private or public employer). Since the employment relation is so widespread (e.g., part of both capitalism and socialism), “employment” has also become synonymous with “having a job.” We assume the reader understands that when we argue against the employment relation (in favor of universal membership in the firm) we are not arguing that everyone should be “unemployed”!

Linguistic habits die hard—for the author as well. When the word “capitalism” is nonetheless used in this book, it will be used *not* as a cluster concept to include private property, free markets, and entrepreneurship, but as a technical term to refer to an economy where almost all labor is conducted under the employment contract.

## **Outline of the Approach**

This book takes a comprehensive approach to the theory and practice of the democratic firm—from philosophical first principles to legal theory and finally down to some of the details of financial structure. The topics covered include:

- a descriptive analysis of the property rights involved in capitalist production, and a prescriptive application of the *labor theory of property* arguing for a democratic firm, since in such a firm people jointly appropriate the positive and negative fruits of their labor;
- a descriptive analysis of the governance rights involved in a capitalist firm, and a prescriptive application of *democratic theory* arguing for a democratic firm, since in such a firm people realize the right of democratic self-determination in the workplace;

- an extended discussion of the legal structure of the *democratic firm*—particularly of the system of *internal capital accounts* which corrects one of the central flaws in existing worker self-managed firms as in the former Yugoslavia;
- description and analysis of the system of *Mondragon worker cooperatives*;
- description and analysis of the American phenomena of employee stock ownership plans or *ESOPs*;
- a description of a *hybrid democratic firm* that combines some of the best ideas from Mondragon-type worker cooperatives and from the American ESOPs in a simple form that can be transplanted to other countries; and
- an analysis of the foremost example of firms today based on employee sovereignty, namely the large Japanese company.

The overall perspective is that a new type of economic enterprise, the democratic firm, is at last coming into clear focus. It is different from both the traditional capitalist and socialist firms. Indeed, there are forces and principles at work in both systems that are pushing towards convergence on the common ground of economic democracy.

# Chapter 1: *The Labor Theory of Property*

## **Property Rights and the Firm**

This book presents a new analysis of capitalism. The analysis is new to the conventional stylized debate between capitalism and command-socialism. But the ideas are not new. The labor theory of property, democratic theory, and inalienable rights theory are part of the humanist and rationalist tradition of the Enlightenment.

The theory of the democratic worker-owned firm walks on two legs. That is, it rests on two principles.

- (1) The property structure of the democratic firm is based on the principle that people have a natural and inalienable right to the fruits of their labor.
- (2) The governance structure of the democratic firm is based on the principle that people have a natural and inalienable right to democratic self-determination.

This chapter deals with the *labor theory of property* (the fruits-of-their-labor principle) while the next chapter deals with the application of *democratic theory* to the firm.

## **The Fundamental Myth about Private Property**

The understanding of what private property is and what it is not—is clouded in both capitalist and socialist societies by a “Fundamental Myth” accepted by both sides in the capitalism-socialism debate. The myth can be crudely stated as the belief that “being the firm” is a structural part of the bundle of property rights referred to as “ownership of the means of production.” A better statement and understanding of the myth requires some analysis.

Consider any legal party that operates as a capitalist firm, e.g. a conventional company in the United States or the United Kingdom that produces some product. That legal party actually plays two distinct roles:

- the *capital-owner role* of owning the means of production (the capital assets such as the equipment and plant) used in the production process; and
- the *residual claimant role* of bearing the costs of the inputs used-up in the production process (e.g. the material inputs, the labor costs, and the used-up services of the capital assets) and owning the produced outputs. The “residual” that is claimed in the “residual claimant” role is the economic profit, the value of the produced outputs minus the value of the used-up inputs.

The Fundamental Myth can now be stated in more precise terms. It is the myth that the residual claimant’s role is part of the property rights owned in the capital-owner’s role, i.e. part of the “ownership of the means of production.” The great debate over the public or private ownership of the residual claimant’s role is quite beside the point since there is no “ownership” of that role in the first place.

It is simple to show that the two roles of residual claimant and capital-owner can be separated without changing the ownership of the means of production. *Rent out the capital assets*. If the means of production such as the plant and equipment are leased out to another legal party, then the lessor retains the ownership of the means of production (the capital-owner role) but the lessee renting the assets would then have the residual claimant’s role for the production process using those capital assets. The lessee would then bear the costs of the used-up capital services (which are paid for in the lease payments) and the other inputs costs, and that party would own the produced outputs. Thus the residual claimant’s role is *not* part of the ownership of the means of production. The Fundamental Myth is indeed a myth.

Who is to be the residual claimant? How is the identity of that party legally determined—if not by the ownership of the means of production? The answer is that it is determined by the direction of the contracts. The residual claimant is the hiring party, the legal party who ends up hiring (or already owning) all the necessary inputs for the productive operations. Thus that party bears the costs of the inputs consumed in the business operations, and thus that party has the legal claim on the produced outputs. The residual claimant is therefore a *contractual role*, not an ownership right that is part of the ownership of the means of production.

The ownership of the capital assets is quite relevant to the question of *bargaining power*; it gives the legal party with the capital-owner’s role substantial bargaining power to also acquire the contractual role of residual claimancy. But there is no violation of the “sacred rights” of private property if other market participants change the balance of bargaining power so that the capital assets can only be remuneratively employed by being leased out. Markets are double-edged swords.

Understanding the Fundamental Myth forces a re-appraisal of certain stock phrases such as “ownership of the firm.” That usually refers to the *combination* of the capital-owner’s role and the residual claimant’s role. But residual claimancy isn’t something that is “owned”; it is a contractual role. What actually happens when party A sells the “ownership of the firm” to party B? Party A sells the capital assets owned in the capital-owner’s role to B, and then B tries to take over A’s contractual role as the hiring party by re-negotiating or re-assigning all the input contracts from A to B. Party A cannot “sell” the willingness on the part of the various input suppliers to re-negotiate or renew the contracts. Thus A’s contractual role as the previous residual claimant cannot be “sold” as a piece of property like the capital assets. If B could not successfully take over the contractual role of residual claimancy, then it would be clear that by “buying the firm,” B in fact only bought the capital assets. Thus buying the capital assets is not a sufficient condition to “become the firm” in the sense of becoming the residual claimant.

Buying the capital assets is also not a necessary condition for becoming the firm. A rearrangement of the input contracts could result in a new party becoming the residual claimant of the production process using the capital assets without there being any sale of the capital assets. The prime example is a *contract reversal* between the owners of the capital and the workers. We will later discuss examples where worker-owned firms are established by leasing the capital assets from the legal party that previously operated as the residual claimant in the production process using those assets. For example, this sometimes happens in distressed companies when the capital-owner no longer wants the residual claimant’s role. It also happened in the Former Soviet Union and China when the means of production in certain enterprises were leased to the collectivity of workers.

The “ownership of the means of production” is neither necessary nor sufficient to being the firm in the sense of being the residual claimant in the production process using those means of production. Contrary to the Fundamental Myth, being the firm is not part of the ownership of the means of production.

### **Ownership of a Corporation is not “Ownership of the Firm”**

The logical structure of the above argument is, of course, independent of the legal packaging used by the capital owner, e.g. is independent of whether the capital is owned by a natural person or by a corporation. Thus understanding the Fundamental Myth also allows us to understand what is and what is not a part of the bundle of property rights called “ownership of a corporation.”

Suppose an individual owns a machine, a “widget-maker.” It is easy to see how that ownership is independent of the residual claimant’s role in production using the widget-maker.

The capital owner could hire in workers to operate the widget-maker and to produce widgets—or the widget-maker could be hired out to some other party to produce widgets.

That is a simple argument to understand. But it is amazing how many economists and lawyers suddenly cannot understand the argument when the individual is replaced by a corporation. Indeed, suppose the same individual incorporates a company and issues all the stock to himself in return for the widget-maker. Now instead of directly owning the widget-maker, he is the sole owner of a corporation that owns the widget-maker. Clearly this legal repackaging changes nothing in the argument about separating capital ownership and residual claimancy. The corporation has the capital-owner's role and—depending on the direction of the hiring contracts—may or may not have the residual claimant's role in the production process using the widget-maker. The corporation (instead of the individual) could hire in workers to use the widget-maker to manufacture widgets, or the corporation could lease out the widget-maker to some other party.

The legal ownership of the corporation only guarantees the capital-owner's role. The residual claimant's role could change hands through contract rearrangements or reversals without the ownership of the corporation changing hands. Therefore the ownership of the corporation is not the “ownership of the firm” where the latter means the residual claimant's role in the production process using the corporation's capital assets (e.g. the widget-maker). The idea that the repackaging of the machine-owner's role as corporate ownership is a transubstantiation of capital ownership into “ownership” of the residual claimant's role is only another version of the Fundamental Myth.

### **The Appropriation of Property**

Property rights are born, transferred, used, and will eventually die. In *production*, old property rights die and new property rights are born; in *exchange*, property rights are transferred. In production, the new property rights to the outputs are born or initiated. The acquisition of the initial or first-time property right to an asset is called the “appropriation” of the asset. Property rights die (i.e. are terminated) when the property is consumed or otherwise used up. In production, it is the property rights to the inputs (materials and services of capital and labor) that are terminated. When a property right is terminated that is a negative form of appropriation; it can be termed the appropriation *of the liability* for the used-up property.

In production, there is the appropriation of the assets produced as outputs and the appropriation of the liabilities for the used-up inputs. Some symbolism can be used to capture the idea. Consider a simple description of a production process where the people working in the enterprise perform the labor services  $L$  that use up the inputs  $K$  to produce the outputs  $Q$ . Thus

the produced outputs are  $Q$  and liabilities for the inputs could be represented by the negative quantities  $-K$  and  $-L$ . Let us represent these three quantities in a list where the quantities are given in the order:

(outputs, inputs, labor).

Then the list (or “vector”) giving the assets and liabilities appropriated in the production process is given by what will be called the:

$$\textit{whole product} = (Q, -K, -L)$$

(“whole” because it includes the negative as well as the positive results of production).

There is a descriptive and a normative question about property appropriation:

— *Descriptive Question*: In a private property market economy, how is it that one legal party rather than another legally appropriates the whole product of a technically-described production process?

— *Normative Question*: Which legal party ought to legally appropriate the whole product of a technically-described production process?

We have already answered the descriptive question. “Legally appropriating the whole product” is a property-oriented description of the residual claimant’s role: Whole Product Appropriator = Residual Claimant. We saw that residual claimancy was contractually determined by being the hiring party. The hiring party hires or already owns all the inputs services used up in production (i.e.  $K$  and  $L$ ) so that party, as it were, appropriates the liabilities  $-K$  and  $-L$ . Hence that party certainly has the legally defensible claim on the produced outputs (i.e.  $Q$ ). In that manner, the contractually determined hiring party legally appropriates the whole product  $(Q, -K, -L)$  of the production process.

Perhaps the only surprise in the above argument is that the property rights to the whole product (i.e. the property rights behind residual claimancy) are *not* part of the ownership of the means of production, i.e. are not part of the capital-owner’s role. The capital owner may or may not legally appropriate the whole product (i.e. be the residual claimant) depending on the direction of the hiring contracts.

For example, let  $K$  be the services of the widget-maker per time period, let  $L$  be the labor that uses up the services  $K$  to produce the widgets  $Q$ . If the corporation that owns the widget-maker hires in the labor services  $L$ , then it will have the claim on the widgets  $Q$ , so the corporation will appropriate the whole product  $(Q, -K, -L)$ . If the corporation leases out the

widget-maker (i.e. sells the services  $K$ ) to some other party who hires or already owns the labor  $L$ , then that party will be able to claim  $Q$  and thus legally appropriate the same whole product ( $Q, -K, -L$ ). The idea that the appropriation of the whole product is somehow an intrinsic part of the ownership of the widget-maker is only another version of the Fundamental Myth.

### **The Normative Question of Appropriation**

What is the traditional *normative* basis for private property appropriation? The natural basis for private property appropriation is *labor*—people’s natural and inalienable right to the (positive and negative) fruits of their labor (see Ellerman, 1992 for a discussion of John Locke’s theory of property). That is the traditional labor theory of property (see Schlatter, 1951).

We will develop the argument that in any given productive enterprise, the liabilities for the used-up inputs are the negative fruits of the labor of the people working in the enterprise (always including managers). The produced outputs are the positive fruits of their labor. The democratic worker-owned firm is the type of enterprise where the people working in it are the legal members of the firm so they then legally appropriate the positive and negative fruits of their labor. Hence we will argue that the labor theory of property—the natural basis for private property appropriation—implies democratic firms, not traditional capitalist firms.

We previously saw that as a matter of descriptive fact, the appropriation of the was not part of the private ownership of the means of production. We now will argue that as a matter of normative principle, the whole product should be appropriated by the people who produced it, the people working in the enterprise. Thus, it is private property itself—when refounded on its natural basis of labor—that implies democratic worker-ownership.

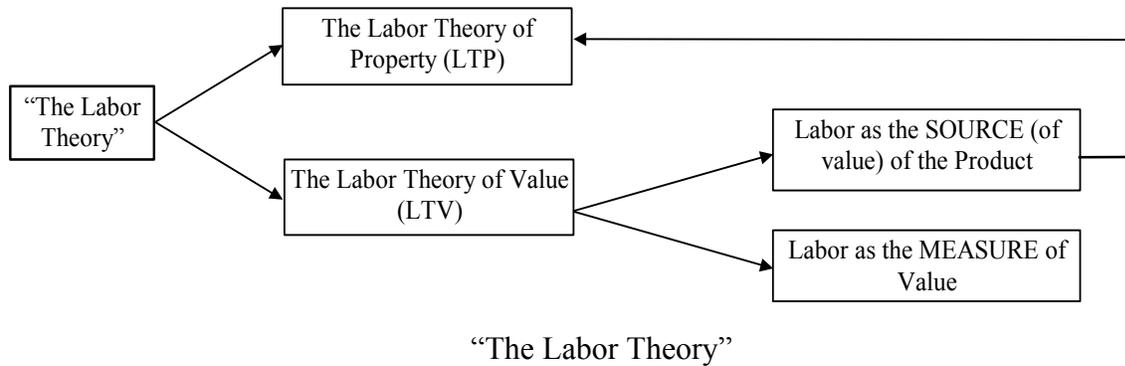
This labor theoretic argument finds a resonance in both capitalist and socialist thought. That dual resonance has always been associated with John Locke’s theory of property. Some interpreted it as the foundation of private property, while others took it as a forerunner to radical theories arguing for some form of “socialism” based on worker self-management. There is merit in both interpretations. We turn now to the labor theory of property as it has been interpreted and misinterpreted in socialist thought.

### **“The Labor Theory” of Value—or of Property**

At least since Marx’s time, any discussion of the labor theory of property in socialist thought has been dominated by Marx’s labor theory of value and exploitation. The labor theory of property simply has not had an independent intellectual life. Yet many of the ideas underlying the support and interpretation of the “labor theory of value” actually are based on the labor theory of property. Hence it is best to speak firstly of “The Labor Theory” (LT) as a primordial theoretical

soup without specifying “of Value” or “of Property.” Then the various overtones and undercurrents in LT can be classified as leaning towards *the labor theory of value* (= LTV) or *the labor theory of property* (= LTP).

Since so much of the literature is formulated in terms of LTV, it is further necessary to divide treatments of LTV that are really veiled versions of the labor theory of property from treatments that are focused on value theory as a quasi-price theory.



The property-oriented versions emphasize labor as the *source* or *cause* of (the value of) the product, while the price-oriented versions consider labor as the *measure* of value. The arrow from the “Labor as the SOURCE (of Value) of the Product” box back to the “labor theory of property” box indicates that (as will be explained below) the source-versions of LTV are essentially veiled versions of LTP.

### Is Labor Peculiar?

It is remarkable that the human science of “Economics” has not been able to find or recognize any fundamental difference between the actions of human beings (i.e. “labor”) and the services of things (e.g. the services of the widget-maker machine). Neoclassical economics uses two pictures of the production process—an “*active*” *poetical picture* and a *passive engineering picture*—both of which view labor as being symmetrical with the services of things.

The poetic view animistically pictures land and capital as “agents of productions” that (who?) cooperate together with workers to produce the product. Land is the mother and labor is the father of the harvest. This personification of land and capital is an example of the *pathetic fallacy*. It has long been criticized by radical economists such as Thomas Hodgskin:

...the language commonly in use is so palpably wrong, leading to many mistakes, that I cannot pass it by altogether in silence. We speak, for example, in a vague

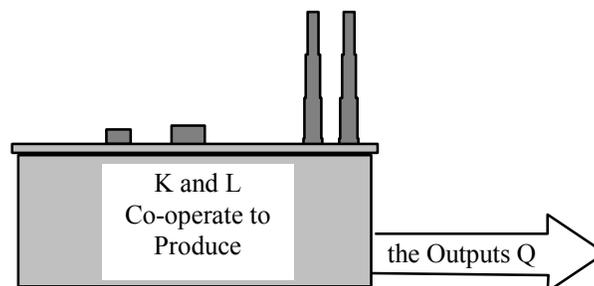
manner, of a windmill grinding corn, and of steam engines doing the work of several millions of people. This gives a very incorrect view of the phenomena. It is not the instruments which grind corn, and spin cotton, but the labour of those who make, and the labour of those who use them... . (Hodgskin, 1827, pp. 250–1)

All capital is made and used by man; and by leaving him out of view, and ascribing productive power to capital, we take that as the active cause, which is only the creature of his ingenuity, and the passive servant of his will. (Hodgskin, 1827, p. 247; quoted in King, 1983, p. 355)

For instance, the name “widget-maker” pictures the machine as making widgets. Marx was later to ridicule the same animism in capitalist economics.

It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters... . (Marx, 1967, p. 830)

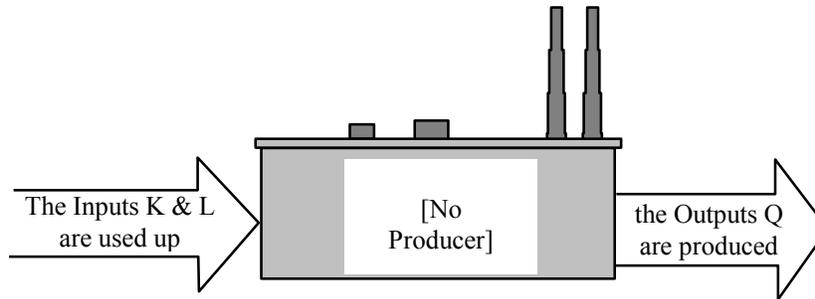
This *active poetic view* can be represented as follows.



The Active Poetic View of Production

The other view favored in capitalist economics (particularly in technical contexts) is the *passive engineering view*. Human actions are treated simply as causally efficacious services of workers alongside the services of land and capital.

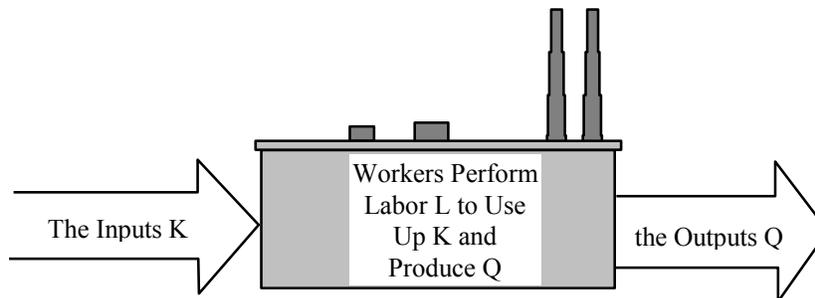
The engineering view switches to the passive voice: “Given input K and L, the outputs Q are produced.”



The Passive Engineering View of Production

The question “Produced by who?” is off-limits because the “who” (the workers of the enterprise) has been reconceptualized as just another input, the labor input, in an engineering description of the production process. There is no active agent who uses up the inputs to produce the outputs. Production is pictured as a technological process that just takes place.

There is a third view, the *humanistic view* of production. Neo-classical economics does not emphasize this view. The humanistic view portrays human beings as using capital and land to produce the outputs. It treats human beings as persons who are not symmetrical with things like capital and land. Human actions, or “labor services,” use up the services of capital and land in the process of producing the product.



The Humanistic View of Production

Radical economists have also attempted to find a unique and relevant characteristic of labor (“Only labor is the source of value”) that would differentiate it from the other factor services. These attempts have not been particularly fruitful.

Marx attached great importance to his “discovery” of the distinction between labor power and labor time. Yet that distinction is not even unique to labor. When one rents a car for a day, one buys the right to use the car (“car power”) within certain limits for the day. The actual services extracted from the car are another matter. The car could be left in a parking lot, or driven continuously at high speeds. To prevent being “exploited” by heavy users of “car time,”

car rental companies typically charge not just a flat day rate but have also a “piece-rate” based on the intensity of use as measured by mileage.

The labor-power/labor-time distinction gets heavy play in literary presentations of Marxian exploitation theory. That distinction, aside from being non-unique to labor, plays no role whatsoever in the modern mathematical development of the Marxian labor theory of value and exploitation using input-output theory (see Ellerman, 1992). There “is in fact no place in the formal analysis at which the labor/labor power distinction gets introduced” (Wolff, 1984, p. 178). But the relevant point here is that the development of the whole labor theory of value and exploitation is not based on any unique property of labor. One could just as well develop (say) a theory of corn value which would show how corn is “exploited” in a productive economy (see Wolff, 1984).

Thus we have the twofold situation wherein conventional economics does not recognize any fundamental and relevant differentiation of the actions of human beings from the services of things, while Marxian economics tries to isolate a unique and relevant property of labor (labor time versus labor power) as a basis for its theory of value and exploitation—but it fails to do so successfully.

Marx touched on deeper themes when he differentiated human labor from the services of the lower animals (and things) in his description of the labor process.

We presuppose labour in a form in which it is an exclusively human characteristic. A spider conducts operations which resemble those of the weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells. But what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. At the end of every labour process, a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally. (Marx, 1977, pp. 283–4)

This conscious directedness and purposefulness of human action is part of what is now called the *intentionality* of human action (see Searle 1983; Ellerman, 1995, Chapter 7). This characterization does have significant import, but Marx failed to connect intentionality to his labor theory of value and exploitation (or even to his labor-power/labor-time distinction). This is in part because Marx tried to develop a labor theory of value as opposed to a labor theory of property.

## Only Labor is Responsible

If we move from the artificially delimited field of “economics” into the adjacent field of law and jurisprudence, then it is easy to recognize a fundamental and unique characteristic of labor. *Only labor can be responsible*. The responsibility for events may not be imputed or charged against non-persons or things. The instruments of labor and the means of production can only serve as conductors of responsibility, never as the source.

An instrument of labour is a thing, or a complex of things, which the worker interposes between himself and the object of his labour and which serves as a conductor, directing his activity onto that object. He makes use of the mechanical, physical and chemical properties of some substances in order to set them to work on other substances as instruments of his power, and in accordance with his purposes. (Marx, 1977, p. 285)

Marx did not *explicitly* use the concept of responsibility or cognate notions such as intentionality. After Marx died, the genetic code of Marxism was fixed. Any later attempt to introduce these notions was heresy.

While Marx did not use the word “responsibility,” he nevertheless clearly describes the labor process as involving people as the uniquely responsible agents acting through things as mere *conductors* of responsibility. The responsibility for the results is imputed back through the instruments to the human agents using the instruments. Regardless of the “productivity” of the burglary tools (in the sense of causal efficacy), the responsibility for the burglary is imputed back through the tools solely to the burglar.

The natural sciences take no note of responsibility. The notion of responsibility (as opposed to causality) is not a concept of physics and engineering. The difference between the responsible actions of persons and the non-responsible services of things would not be revealed by a simple engineering description of the causal consequences of the actions/services. Therefore when economists choose to restrict their description of the production process to an engineering production function, they are implicitly or explicitly deciding to ignore the difference between the actions of persons and the services of things.

The various pictures of production—the active poetic view, the passive engineering view, and the humanistic view—can be illustrated by three possible confessions from George Washington after he used an ax to chop down the cherry tree.

— *Active Poetic View*: I cannot tell a lie; an ax cooperated with me to chop down the cherry tree.

— *Passive Engineering View*: I cannot tell a lie; given an ax and some of my labor, the cherry tree was chopped down.

— *Humanistic View*: I cannot tell a lie; I used an ax to chop down the cherry tree.

What is the difference? There is no difference from the viewpoint of the natural sciences. The difference concerns *responsibility*; each confession gives a different shading to the question of responsibility. The inability of capitalist economics to recognize that unique and relevant characteristic of labor is an ideological blindspot which reflects the symmetrical fact that both labor services and the services of land and capital are salable commodities in a capitalist economy. To analytically treat labor as being fundamentally different—when the capitalist system treats labor as a salable commodity like the services of capital and land—would be a perversity as abhorrent as preaching abolitionism in the middle of the Ante-bellum South.

### **Juridical Principle of Imputation = Labor Theory of Property**

The pre-Marxian Ricardian socialists (or classical laborists) such as Proudhon, William Thompson, and Thomas Hodgskin tried to develop “the labor theory” as the labor theory of property. The most famous slogan of these classical laborists was “Labour’s Claim to the whole product” (see Hodgskin, 1832 or Menger, 1899).

This claim was hindered by their failure to clearly include the liabilities for the used-up inputs in their concept of the “whole product.” This allowed the orthodox caricature, “all the GNP would go to labor and none to property” (Samuelson, 1976, p. 626), *as if* there were no liabilities for the used-up inputs to be appropriated along with the produced outputs. If Labor appropriated the whole product, that would include appropriating the liabilities for the property used up in the production process in addition to appropriating the produced outputs. Present Labor would have to pay input suppliers (e.g. past Labor) to satisfy those liabilities.

The Ricardian socialists’ development of the labor theory of property was also hindered by their failure to interpret the theory in terms of the juridical norm of legal imputation in accordance with (*de facto*) responsibility. LTP is concerned with responsibility in the *ex post* sense of the question “Who did it?”, not with “responsibilities” in the *ex ante* sense of one’s duties or tasks in an organizational role. A person or group of people are said to be *de facto* or *factually responsible* for a certain result if it was the purposeful result of their intentional (joint) actions. The assignment of *de jure* or *legal responsibility* is called “imputation.” The basic *juridical principle of imputation* is that *de jure* or legal responsibility is to be imputed in accordance with *de facto* or factual responsibility. For example, the legal responsibility for a civil or criminal wrong should be assigned to the person or persons who intentionally committed the act, i.e. to the *de facto* responsible party.

In the context of assigning property rights and obligations, the juridical principle of imputation is expressed as the *labor theory of property* which holds that people should appropriate the (positive and negative) fruits of their labor. Since, in the economic context, intentional human actions are called “labor,” we can express the *equivalence* as:

<p>The Juridical Principle of Imputation:          People should have the legal responsibility          for the positive and negative results of their          intentional actions.</p>	=	<p>The Labor Theory of Property:          People should legally appropriate the          positive and negative fruits of their labor.</p>
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In other words, the juridical principle of imputation is the labor theory of property applied in the context of civil and criminal trials, and the labor theory of property is the juridical principle applied in the context of property appropriation.

*De facto* responsibility is *not* a normative notion; it is a descriptive factual notion. The juridical principle of imputation is a normative principle which states that legal or de jure responsibility should be assigned in accordance with *de facto* responsibility. In the jury system, the jury is assigned the *factual question* of “officially” determining whether or not the accused party was *de facto* responsible for the deed as charged. If “Guilty” then legal responsibility is imputed accordingly.

Economics is always on “jury duty” to determine “the facts” about human activities. These are not value judgments (where social scientists have no particular expertise). The economist–as–juror is only required to make factual descriptive judgments about *de facto* responsibility. The normative and descriptive questions should be kept conceptually distinct. That separation is difficult since, given the juridical principle, *de facto* responsibility implies de jure responsibility.

In a given productive enterprise, the economist-as-juror faces the descriptive question of what or, rather, who is *de facto* responsible for producing the product by using up the various inputs? The *marginal productivity* of tools (machine tools or burglary tools) is not relevant to this factual question of *responsibility* either inside or outside the courtroom. Only human actions can be responsible; the services provided by things cannot be responsible (no matter how causally efficacious). The original question includes the question of who is responsible for using up those casually efficacious or productive services of the tools.

One of the original developers of marginal productivity theory in economics, Friedrich von Wieser, admitted that of all the factors of production, only labor is responsible.

The judge,... who, in his narrowly-defined task, is only concerned with the legal imputation, confines himself to the discovery of the legally responsible factor,—that person, in fact, who is threatened with the legal punishment. On him will rightly be laid the whole burden of the consequences, although he could never by himself alone—without instruments and all the other conditions—have committed the crime. The imputation takes for granted physical causality.

... If it is the moral imputation that is in question, then certainly no one but the labourer could be named. Land and capital have no merit that they bring forth fruit; they are dead tools in the hand of man; and the man is responsible for the use he makes of them. (Wieser, 1930, pp. 76–9)

These are remarkable admissions. Wieser at last has in his hands the correct explanation of the old radical slogans “Only labor is creative” or “Only labor is productive,” which even the classical laborists and Marxists could not explain clearly.

Wieser’s response to his insights exemplifies what often passes for moral reasoning among many economists and social theorists in general. Any stable socio-economic system will provide the conditions for its own reproduction. The bulk of the people born and raised under the system will be appropriately educated so that the superiority of the system will be “intuitively obvious” to them. They will not use some purported abstract moral principle to evaluate the system; the system is “obviously” correct. Instead any moral principle is itself judged according to whether or not it supports the system. If the principle does not agree with the system, then “obviously” the principle is incorrect, irrelevant, or inapplicable.

The fact that only labor could be legally or morally responsible therefore did not lead Wieser to question capitalist appropriation. It only told him that the usual notions of responsibility and imputation were not “relevant” to capitalist appropriation. Capitalist apologetics would require a new metaphorical notion of “economic imputation” in accordance with another new notion of “economic responsibility.”

In the division of the return from production, we have to deal similarly ... with an imputation,—save that it is from the economic, not the judicial point of view.  
(Wieser, 1930, p. 76)

By defining “economic responsibility” in terms of the animistic version of marginal productivity, Wieser could finally draw his desired conclusion that competitive capitalism “economically” imputes the product in accordance with “economic” responsibility.

In spite of Wieser’s candid admission a century ago that “no one but the labourer could be named” and that the assignment of legal responsibility “takes for granted physical causality,” the author has not been able to find a single contemporary economics text, elementary or advanced, which similarly admits that among all the causally efficacious factors, only labor is responsible. The legal system’s treatment of “labor” as the only responsible “input service” is apparently a forbidden topic in economics. Contemporary texts cannot use the R-word. The same texts express their “puzzlement” at how so many earlier political economists could “overlook” land and capital, and believe that “labor was the only productive factor.” A closer reading of Wieser, not to mention common sense, would suggest another interpretation of the “labor theory.”

### **What is Labor’s Product?**

Given a group of apple trees, consider the human activity of Adam picking apples for an hour to produce a bushel of apples. The human activity of picking the apples for an hour is reconceptualized in economics as another “input,” a man-hour of apple-picking labor, to the now subjectless production process. Given a group of apples trees and a man-hour of apple-picking labor as inputs, a bushel of apples is produced as the output. The question of *who* uses the inputs to produce the outputs has no answer because the actions of the people carrying out the process are construed as just another input in the engineering description of a technological input-output process.

Prior to conceptualizing the human activity of production as an “input” to a dehumanized technological conception of production, we could use two-component lists (or vectors),

(outputs, inputs).

The productive activities of all the people working in the given production example produce Q by using up K, so (Q, -K) is *Labor’s product*. The labor L performed by the people working in the enterprise is simply a way to refer to the human activity of producing (Q, -K).

$\text{Labor } L = \text{Human Activity of Producing } (Q, -K)$
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But then that activity L is reconceptualized as another “input,” an input to the now subjectless production process. Using this artificial reconceptualization, the people working in the production process produce the labor services L and then use up K as well as L in the production of Q. Using the vector notation, they produce the labor (0, 0, L) and they produce the *whole*

*product*  $(Q, -K, -L)$  which add together (by adding the corresponding components) to yield the three-component version of Labor’s product.

$\begin{aligned} \text{Labor's product} &= (Q, -K, 0) &= (Q, -K, -L) &+ (0, 0, L) \\ & &= \text{whole product} &+ \text{labor services.} \end{aligned}$
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In capitalist production, the people working in the firm, i.e. the party herein called “Labor,” appropriate and sell only their labor services to the employer who, in turn, appropriates the whole product. In a democratic firm, Labor appropriates Labor’s product (which is the sum of the whole product and the labor services). The difference between the two forms of production lies in who appropriates the whole product which consists of the produced outputs  $Q$  and the liabilities  $-K$  and  $-L$  for the used-up inputs and labor activity. Under capitalist production, the workers still produce Labor’s product (since that is a question of fact unchanged by the legal superstructure) but only appropriate their labor services as a commodity. Hence the assets and liabilities that they produce but do not appropriate constitute the whole product (subtract corresponding components in the lists).

$\begin{aligned} \text{Labor's Product} &= (Q, -K, 0) \\ \text{Minus: } \underline{\text{Labor as a Commodity}} &= -(0, 0, L) \\ \text{Equals: } \text{Whole Product} &= (Q, -K, -L). \end{aligned}$
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In words, the equation is as follows.

$\begin{aligned} &\text{What Labor Produces} \\ \text{Minus: } &\underline{\text{What Labor Produces and Appropriates}} \\ \text{Equals: } &\text{What Labor Produces and Does Not Appropriate.} \end{aligned}$
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The labor theory of property holds that the people working in every enterprise should appropriate the positive and negative fruits of their labor which in the vector notation is Labor’s product (= whole product + labor services). Thus in the comparison with the capitalist firm, the labor theory of property implies that Labor should appropriate the whole product. We saw before that “appropriating the whole product” was a property-oriented description of being the

residual claimant, i.e. being the firm. In short, the labor theory of property implies that Labor should be the firm, i.e. that the firm should be a democratic worker-owned firm.

It is important to understand what this argument does *not* imply. We have already taken some pains to separate the residual claimant's role from the capital-owner's role. The labor theory of property implies that Labor should have the residual claimant's role. It does not imply that the current workers in any enterprise should own the capital assets of that enterprise which have been accumulated from the past. The argument does imply that the current workers are *de facto* responsible for and should be legally responsible for using up the services of those capital assets (i.e. should be legally responsible for the input-liabilities –K).

### **Property Theoretic Themes in Marxian Value Theory**

We turn now to the task of intellectual reclamation—trying to salvage some of Marx's "labor theory"—a task that is little appreciated by both conventional and Marxist economists. Marx's labor theory of value—as a theory to measure value—is one of the most spectacular failures in the history of economic thought (see Ellerman, 1992 for analysis and criticism). There is, however, the alternative interpretation of Marx's theory which emphasizes labor-as-source instead of labor-as-measure. That turns out to be a disguised version of the labor theory of property, not a value theory at all. In this section, we try to tease out these property-theoretic themes in Marxian thought.

Marx started by singling out human action as the unique activity that acted upon the world to endow it with intents and purposes—even though Marx and latter-day Marxists do not use the notion of responsibility to differentiate human actions from the services of things (Marxists have been as unable as capitalist economists to find the R-word).

But although part of Nature and subject to the determinism of natural laws, Man as a conscious being had the distinctive capability of struggling with and against Nature—of subordinating and ultimately transforming it for his own purposes. This was the unique rôle of human productive activity, or human labour, which differentiated man from all (or nearly all) other animate creatures ... (Dobb, 1973, pp. 143–4)

Marx clearly saw that physical causal processes can never be co-responsible with human agents; the causal processes serve only as "conductors" to transmit human intentions. Hence the

assignment of legal responsibility in accordance with *de facto* responsibility “takes for granted physical causality.”

Marx also was by no means exclusively concerned with developing the labor-as-a-measure version of LTV. It was not simply that value is a function of labor, but that direct labor *creates* the value added to the material inputs.

For the capitalist, the selling price of the commodities produced by the worker is divided into three parts: *first*, the replacement of the price of the raw materials advanced by him together with replacement of the depreciation of the tools, machinery and other means of labour also advanced by him; *secondly*, the replacement of the wages advanced by him, and *thirdly*, the surplus left over, the capitalist’s profit. While the first part only replaces *previously existing values*, it is clear that both the replacement of the wages and also the surplus profit of the capitalist are, on the whole, taken from the *new value created by the worker’s labour* and added to the raw materials. (Marx, 1972, p. 182)

We previously drew a conceptual road map of “The Labor Theory” which saw it divide into LTP and LTV. Then LTV divided into “labor as source” and “labor as measure” theories. The source versions of LTV are best understood as (confused) value-theoretic renditions of the labor theory of property.

The source/measure dichotomy should not be confused with a prescriptive-descriptive dichotomy. “Responsibility for” (or “source of”) has a descriptive (*de facto*) and a normative (de jure) interpretation. The descriptive question of who is *de facto* responsible for committing a burglary is distinct from the normative question of who should be held de jure responsible for the burglary. The imputation principle—that de jure responsibility should be assigned according to *de facto* responsibility—provides the link between the two questions.

The source version of LTV and LTP also have both a descriptive and a prescriptive side. The controversy lies largely on the descriptive side although the normative parts are necessary to complete any critique of capitalist production. The descriptive side of neo-classical economics (e.g. marginal productivity theory) resorts to metaphor (pathetic fallacy) to picture causality as “responsibility”—to picture each causally efficacious factor as being responsible for producing a share of the product.

Classical laborists, such as Thomas Hodgskin, as well as Marx criticized this personification of the factors. They based the source-LTV and LTP on the unique attribute of labor that it is the

only “creative” factor. That attribute of *de facto* responsibility is not a concept of the natural sciences. But it is central to the descriptive side of the source-LTV.

The crucial descriptive aspect remains the capturing of the human dimension of production and distribution in the labour theory of value viewed as a category of descriptive statements, rather than the possibility of “determining” or “predicting” prices on the basis of values,... (Sen, 1978, p. 183)

Economists who seem to take as their professional mission to rationalize an economy that treats persons as things (by allowing them to be hired or rented), may well tend to adopt the science of things (physics and other natural sciences) as the scientific model for “economics.” Attempts to use notions unique to the human sciences—such as the notions of “responsibility” or “intentionality”—to differentiate labor from the services of things are thus deemed inappropriate in the “science” of economics.

Marx did take labor as the unique source of the value-added so Marx played both sides of the source/measure dichotomy. It was not simply that direct labor was a measure of the value of the surplus product but that direct labor was the *source* of the surplus product. Indeed, Marx’s whole exploitation analysis only makes sense under the labor-as-source interpretation of the labor theory of value. The point was *not* that labor created *the value of* the product, but that labor *created the product itself*.

And it is this fairly obvious truth which, I contend, lies at the heart of the Marxist charge of exploitation. The real basis of that charge is not that workers produce value, but that they produce what has it. (Cohen, 1981, p. 219)

In the assertion that “labor created *the value of* the product,” the phrase “the value of” can be deleted and thrown, along with the measure-LTV, into the dustbin of intellectual history.

Some economists have been quite explicit about the (non-orthodox) property-theoretic interpretation of Marx’s value theory. Thorstein Veblen was never a slave to the standard or orthodox interpretation of any theory. Veblen saw natural rights arguments standing behind the general thrust of Marx’s theory. Veblen sees the claim of Labor’s right to the whole product implicit in Marx and traces it to the classical laborists or Ricardian socialists.

Chief among these doctrines, in the apprehension of his critics, is the theory of value, with its corollaries: (a) the doctrines of the exploitation of labor by capital; and (b) the laborer's claim to the whole product of his labor. Avowedly, Marx traces his doctrine of labor value to Ricardo, and through him to the classical economists. The laborer's claim to the whole product of labor, which is pretty constantly implied, though not frequently avowed by Marx, he has in all probability taken from English writers of the early nineteenth century, more particularly from William Thompson. (Veblen, 1952, p. 316)

Recent scholarship would, however, emphasize the influence on Marx of Hodgskin and Bray more than Thompson (see King, 1983 and Henderson, 1985).

Gunnar Myrdal finds a similar reason behind even Ricardo's use of labor as the basis for his value theory in spite of criticism from Malthus, Say, and Bentham.

The solution of this puzzle may be found in the natural law notion that property has its natural justification in the labour bestowed on an object. (Myrdal, 1969, p. 70)

But the implications of the labor theory inevitably conflict with classical liberalism which fully accepted wage labor.

The foundation of the theory is the uniqueness of labor; of all the causally efficacious factors, labor is the only responsible agent.

Man alone is alive, nature is dead; human work alone creates values, nature is passive. Man alone is *cause*, as Rodbertus said later, whilst external nature is only a set of *conditions*. Human work is the only active cause which is capable of creating value. This is also the origin of the concept "productive factor". It is not surprising that the classics recognized only *one* productive factor, viz., labour. The same metaphysical analogies that were used to establish natural rights were also used to expound the idea of natural or real value. It is an example of the previously mentioned attempt of the philosophy of natural law to derive both rights and value from the same ultimate principles. (Myrdal, 1969, p. 72)

Thus the Janus-headed “labor theory” has long served as both a property theory and a value theory—even though orthodox economists only *want* to see it as a (fallacious) price theory in Marx.

They tend to focus attention on the theory of exchange value [and] neglect its foundations ... Marx was right in saying that his surplus value theory follows from the classical theory of real value, admittedly with additions from other sources. Moreover, Marx was not the first to draw radical conclusions from it. All pre-Marxist British socialists derived their arguments from Adam Smith and later from Ricardo. (Myrdal, 1969, p. 78)

It is time to step back for a moment and consider Marx’s value theory in a larger context.

[T]he “naturalness” of labour as the moral title to what is created by that labour has been a commonplace of political and economic radicalism for three hundred years; and political and economic conservatism has had a continuous struggle to defuse the revolutionary implications of it. (Ryan, 1984, p. 1)

The central point of the labour theory as a theory of exploitation is that *labour is the only human contribution to economic activity, and the exercise of labour power should be the only way in which a claim to the net product of a nonexploitative economic system is acquired.* (Nutti, 1977, p. 96)

A typical response by Marxists is “None of this, by the way, implies that Marx intended the labor theory of value as a theory of property rights, à la Locke or even Proudhon” (Shaikh, 1977, p. 121) as if the question of what “Marx intended” was relevant beyond the confines of Marxology.

### **The Employment Contract vs. *de facto* Inalienability**

“Private ownership of the means of production” is not the culprit. We have seen enough of the plot to ferret out the true villain of the piece. The labor theory of property normatively implies that Labor (the workers including managers) in each enterprise ought to be the residual claimant for that enterprise. We previously noted the descriptive fact that any legal party could be the residual claimant by becoming the hiring party, the party who hires (or already owns) all the inputs to be used up in production. The workers’ claim to the positive and negative fruits of their labor is thus legally defeated by the workers being hired, i.e. by the employment contract. It is

thus the employment contract that defeats the legal implementation of the labor theory of property.

The employer-employee contract inherently conflicts with people's right to the fruits of their labor. The employment contract is the contract for the voluntary hiring or renting of human beings. When a person is legally rented or "employed," then the person has no legal responsibility for the positive or negative results of his or her actions; that legal responsibility goes to the employer. Renting capital gives financial leverage ("gearing" in the UK); it multiplies the effect of the equity capital. Similarly, renting people creates *human leverage*; it multiplies the effect of the employer—as if all the results were the fruits of solely the employer's labor.

This conflict between "employment" and *de facto* responsibility has long been apparent in the law. We noted previously that the labor theory of property was only a property-theoretic rendition of the usual juridical principle of imputing legal responsibility in accordance with *de facto* responsibility. We also saw that—unlike the services of things—the actions of persons are *de facto* responsible. That *de facto* responsibility is independent of legal contracts, i.e. people do not suddenly become non-responsible tools or instruments when they sign an employment contract. The legal authorities only explicitly apply the juridical principle when a human activity ends up in court, i.e. when a criminal or civil wrong has been committed. When an employee—even within the context of a normal employment relation—commits a crime at the behest of the employer, then the employee suddenly becomes a partner in the enterprise.

All who participate in a crime with a guilty intent are liable to punishment. A master and servant who so participate in a crime are liable criminally, not because they are master and servant, but because they jointly carried out a criminal venture and are both criminous. (Batt, 1967, p. 612)

The legal authorities will not allow an employment contract to be used by an employee to avoid the legal responsibility for his or her *de facto* responsible actions.

But when the "venture" being "jointly carried out" is a normal capitalist enterprise, the workers do not suddenly become *de facto* non-responsible tools or instruments. They are just as much *de facto* responsible together with the working employer as when "they jointly carried out a criminal venture." It is the reaction of the law that suddenly changes. Now the employment contract for the renting of human beings is accepted as a "valid" contract. The *de facto* responsibility of human action is nevertheless not factually transferable even though the legal authorities now accept the employment contract for the sale of labor as a commodity as "valid."

The legal system faced the same internal contradiction when it treated slaves as legal chattel in the Ante-bellum South. The legally non-responsible instrument in work suddenly became a responsible person when committing a crime.

The slave, who is but “*a chattel*” on all *other* occasions, with not one solitary attribute of personality accorded to him, becomes “*a person*” whenever he is to be *punished*. (Goodell, 1969, p. 309)

As an Ante-bellum Alabama judge put it, the slaves in fact

are rational beings, they are capable of committing crimes; and in reference to acts which are crimes, are regarded as persons. Because they are slaves, they are ... incapable of performing civil acts, and, in reference to all such, they are things, not persons. (Catterall, 1926, p. 247)

It should be no surprise that the legal system involves the same contradiction when workers are rented instead of being owned. The rental relation is voluntary (unlike traditional slavery) but *de facto* responsibility is not voluntarily transferable. A person would not become a *de facto* non-responsible entity if he or she voluntarily agreed to the legal condition of slavery. And the hired criminal would certainly voluntarily agree to give up any and all responsibility for the results of his actions. But regardless of the language on the contract and regardless of the reaction of the legal system, the fact is that he remains a *de facto* responsible person.

It is useful in this connection to consider the *de facto* alienability of things. We can voluntarily give up and transfer the temporary use of a tool or instrument to another person so the other person can employ it and be solely *de facto* responsible for the results of that employment. The legal contract that fits the transfer is the lease or rental contract; the owner of the instrument rents, leases, or hires out the instrument to be used by someone else. The same facts do *not* apply to our *selves*. We cannot voluntarily give up and transfer the temporary use of our own persons to another person so the other person can “employ” us and be solely *de facto* responsible for the results of that employment. Our own *de facto* responsibility intrudes. From the factual viewpoint, we are inexorably partners. The so-called “employees” can only cooperate together with the worker employer but then they are jointly *de facto* responsible for the venture they “jointly carried out.” But the law still treats the legal contract for the hiring of human beings as a “valid” contract even though human actions are not *de facto* transferable like the services of a tool or instrument.

The nice word for this is “legal fiction.” The law will accept the *de facto* responsible co-operation of the “employees” *as if* that fulfilled the hiring contract. Or, at least, the law will do that if no crime has been committed. If a crime has been committed, then the law will not allow the labor theory of property (i.e. the juridical principle of imputation) to be defeated by the employment contract. The law will not allow this “fictional” transfer of labor to shield the criminous servant from legal responsibility. Then the fiction is set aside in favor of the facts; the enterprise is legally reconstructed as a partnership of all who worked in it.

The not-so-nice word for this is “fraud.” When the legal system “validates” the contract for the renting of human beings, that is a fraud perpetrated on an institutional scale. It is our own peculiar institution.

This argument is an application to the employment contract of the *de facto theory of inalienable rights* that descends from the history of anti-slavery and democratic thought (see Ellerman, 1992). *De facto* responsibility is factually inalienable, and thus without having a legalized form of fraud, it must be legally inalienable. The legal contract to alienate and transfer that which is *de facto* inalienable is inherently invalid. The natural-law invalidity of the voluntary self-enslavement contract (to sell all of one’s labor) is already legally recognized; the invalidity of the contract to rent or hire human beings should be similarly legally recognized.

The chapter began with an analysis of the Fundamental Myth of capitalism, that the residual claimant’s role was part of the property rights of “ownership of the means of production.” A frequent reply is that while it is “formally” true that residual claimancy is not part of capital ownership, the bargaining power of capital ownership is sufficient that “Capital hires Labor” at will. Thus residual claimancy is said to be “*in effect* part of the ownership of capital.”

The rejoinder is that we are not arguing that the determination of the hiring party should be left to marketplace bargaining power (any more than the question of the ownership of human beings should be left to market transactions). The argument for the invalidity of the hired-labor contract completes the argument. With the contract for the renting of human beings ruled out as invalid, it would not be a question of bargaining power. All industry would be organized on the basis of people renting (or already owning) capital instead of the owners of capital renting people. Thus the capital suppliers—as capital suppliers—are denied the residual claimant’s role (they might also work and be part of the residual claimant in that role). Since the residual claimant’s role was never part of their property rights, this is no violation of their actual (as opposed to imagined) property rights. They are only denied the “freedom” to make the naturally invalid contract to rent other human beings.

There is no need to “adopt” the labor theory of property; it is already adopted. It is the fundamental juridical principle of imputation. Our argument is to “dis-adopt” the inherently invalid contract for the renting of human beings—the contract that defeats the application of the labor theory of property (when no crime has been committed). The facts of human are the same whether the venture is criminal or not. Every enterprise should be legally reconstructed as a partnership of all who work in the enterprise. Every enterprise should be a democratic firm.

# Chapter 2: *Democratic Theory*

## Democracy in the Firm

### *The Enterprise as a Governance Institution*

Is a company an organization for the governance of people or only for the administration of things? If a company carries out any productive or service operations, then the people conducting those operations are governed by the company within the scope of those operations.

As a legal technicality, there could be an “uninhabited corporation” that served only a holding bin for assets that stood idle or were leased out to other companies or individuals. No one would *work* in such an “uninhabited company”; the shareholders would then only be concerned with “the administration of things.”

Any company with people *working* in it is an institution of governance—so the question of democracy arises.

### *Stakeholders: the Governed and the Affected*

Democracy is a structure for the governance of people, not the management of property. It is the structure wherein those who govern are selected by, and govern as the representatives of, the governed. In an economic enterprise, the managers are those who govern, but who are “the governed”?

The *stakeholders* in an enterprise are all those people who are either governed by the enterprise management or whose interests are affected by the enterprise. Thus the stakeholders would include:

The Governed	• The Workers (including Managers)
The Affected	• The Shareholders • The Input Suppliers, • The Customers, and • The Local Residents.

### Stakeholders

But there is a crucial partition of this broad group of stakeholders into two groups which will be called “the governed” and “the affected.”

“*The governed*” are those who (within certain limits) take orders from the enterprise management, i.e. who are under the authority of the managers.

“*The affected*” are those whose person or property are *only* affected by the activity of the enterprise but who are not personally under the authority of the management.

The shareholders are not under the authority of managers; neither are the suppliers of the material inputs, the customers, nor those who live in the vicinity of the enterprise’s operations. All those people might have their interests affected by the activities of the firm, but they don’t take orders from the firm. The workers do. Only the people who work in the firm are “the governed.”

The employment system promotes the mental acrobatics of dividing a person into two different legal roles: (1) the owner and seller of labor services (the labor-seller role), and (2) the person who performs the labor services (the worker role). Under slavery, different people might play the two roles as when a master hired out some of his slaves to work for someone else during slack times. In modern times, there has even developed a labor resale market—called “employee leasing”—which separates the two roles. A person rents himself or herself to company A and then company A rents or leases the person to company B. In the second labor-sale contract, the legal party selling the labor services (company A) is distinct from the person performing the labor.

In the normal capitalist firm, the employee plays both roles. Economists are fond of only considering the employee in his or her labor-seller role—just another input supplier. Then they can mentally treat the workers as external input suppliers who indeed do have direct control over their labor-selling activities. They are not “governed” *in that role*. Management has no legal authority to tell them the price and quantity involved in their labor-selling decision. It is in the employee’s worker role that the person is governed by management, *not* in the employee’s labor-seller role.

### *Direct versus Indirect Control*

Discussions of corporate governance are often clouded by insufficient attention to the distinction between those who are governed by the corporation and those whose interests are only affected by the firm. Vague statements are made about all the stakeholders having the right to “control” the company to protect their affected interests. But such broad assertions about “control rights” are not too helpful since the control rights legally held by shareholders are fundamentally different from the control rights held by, say, suppliers and customers. In particular, there is a basic distinction between direct control rights (positive decision-making rights) and indirect

control rights (negative decision-constraining rights) that should run parallel to the earlier distinction between the governed and those only affected by an enterprise.

We are discussing the decisions of a given enterprise, not the decisions of outside parties. The direct control rights are the rights to ultimately make the decisions of the enterprise. The managers make day-to-day decisions but they do so as the representatives of those who ultimately hold the direct control rights. In a conventional capitalist corporation, the common stockholders hold those direct control rights.

Outside parties, such as supplier or customers, have the direct control rights over their own decisions, but—relative to the enterprise’s decisions—they have only an indirect or negative decision-constraining role. “No, I will not sell the firm these inputs at that price.” “No, I will not buy that output on those terms.” Even the worker in his or her labor-seller role can say “No, I will not sell that amount of labor at that price without this benefit.”

### *The Affected Interests Principle*

Those who are potentially affected by the operations of the enterprise should have an effective means to exert indirect control on the enterprise operations to protect their legitimate interests. This could be stated as the:

AFFECTED INTERESTS PRINCIPLE. Everyone whose rightful interests are affected by an organization’s decisions should have a right of indirect control (e.g. a collective or perhaps individual veto) to constrain those decisions.

It is difficult to effectively implement this principle. The market is the customary means of protecting outside interests in a market economy. But even then, there are a host of externalities where outside interests are affected without the benediction of a market relationship. And within market relations, there could be monopolistic power on one side of the market so that there is “consent” but little choice. Or there could be such large informational asymmetries that “consent” is not meaningfully informed. In such cases, the government often intervenes to regulate the market and attempt to offer better protection of the affected interests. These acknowledged difficulties in the implementation of the affected interests principle need not detain us here. Our concern is the assignment of the direct control rights over the enterprise.

There is a related argument that should be mentioned. Pressure groups for particular sets of affected interests (e.g. consumers) sometimes argue that they should have voting seats on the corporate board of directors to protect their interests. Leaving aside the fallacious assumption

that the role of the board should be to protect *outside* affected interests, it is nevertheless difficult to see how this tactic can work. It runs up against the “law of one majority”; each different and opposing group of external affected interests cannot have a majority on the board of directors. A minority board position may have some informational value but the vote then has little control value. To protect their affected interests, the minority outside interests must fall back on indirect control rights (e.g. negative covenants in market contracts or government regulations) which they had independently of the voting board seats.

The board of directors is the locus for the exercise of direct decision-making control rights, whereas the affected interests principle is only concerned with assigning indirect decision-constraining rights to the outside affected interests. The assignation of the direct control rights requires another principle, the democratic principle.

### *The Democratic Principle*

Who ought to have the ultimate direct control rights over the decisions of the enterprise? Democracy gives an unequivocal answer: *the governed*.

THE DEMOCRATIC PRINCIPLE. The direct control rights over an organization should be assigned to the people who are governed by the organization so that they will then be self-governing.

The shareholders, suppliers, customers, and local residents are not under the authority of the enterprise; they are not the governed. Only the people working in the enterprise (in their worker role) are “the governed” so only they would be assigned the ultimate direct control rights by the democratic principle. Needless to say, the same person can have several functional roles, e.g. as worker, as consumer, or as capital supplier. The democratic principle would assign direct control rights to the person *qua* worker in the enterprise, not *qua* consumer or *qua* capital-supplier.

Self-determination within a democratic framework does not include the right to violate the rights of outsiders. A democratically governed township does not have the right to do what it wants to neighboring towns. Direct control rights are to be exercised within the constraints established by the indirect control rights of the external affected interests. In that manner, each group can be self-governing. The workers can self-manage their work and the consumers can self-manage their consumption—with each abiding by the constraints established by the other and with neither having direct control rights over the other.

### *“Shareholders’ Democracy”*

In a capitalist corporation, the shareholders (absentee or not) have ultimate direct control rights over the operations of the corporation. They are the “citizens” who exercise these control rights by electing the corporate directors, the “legislators,” who are supposed to act as the representatives of and in the interests of the shareholder-citizens.

The analogy between state and corporation has been congenial to American lawmakers, legislative and judicial. The shareholders were the electorate, the directors the legislature, enacting general policies and committing them to the officers for execution. (Chayes, 1966, p. 39)

The board of directors selects the top managers who, in turn, select the remainder of the management team that manages the day-to-day operations of the corporation.

The direct control rights of shareholders are more nominal than effective in the large corporations with publicly traded shares—as was pointed out long ago by Adolf Berle and Gardner Means (1967 [1932]). Public stock markets have effectively disenfranchised the common stockholders. Each shareholder has a minuscule amount of the vote, and huge transaction costs block the self-organization of shareholders into “parties.” Most investors buy shares for the investment potential; the voting rights are only a vestigial attachment.

This “separation of ownership and control” creates a problem of legitimacy—legitimacy by *capitalist* standards. Corporate reformers dream of “real shareholders’ democracy” wherein the shareholders effectively exercise their control rights. The difficulty in this call for “democracy” is that the shareholders never were “the governed.”

Shareholder democracy, so-called, is misconceived because the shareholders are not the governed of the corporation whose consent must be sought. (Chayes, 1966, p. 40)

Perhaps an analogy is appropriate. A set of shareholders in England start off voting to elect the government of the American Colonies. Then their voting rights fall into disrepair so the autocratic government of the Colonies rules as a self-perpetuating oligarchy that is not answerable to the English shareholders (not to mention the American people). How can democracy be restored to America? Not by re-establishing the direct control of the outside shareholders but by reassigning the direct control rights to the governed.

How do corporate lawyers and legislators manage to avoid these none-too-subtle points? One popular method is to think of the corporation solely as a piece of property to be administered, not as an organization for the management of people. But that image would only be accurate if the corporation was “uninhabited,” if no one worked in the corporation.

It is the employment contract that turns the capitalist corporation-as-property into an organization of governance. That organization is not democratic in spite of the “consent of the governed” to the employment contract. The employees do not delegate the governance rights to the employer to govern as their representative. In the employment contract, the workers alienate and transfer their legal right to govern their activities “within the scope of the employment” to the employer. The employment contract is thus a limited workplace version of the Hobbesian *pactum subjectionis*. The argument for applying the democratic principle to the workplace is thus an argument which implies disallowing the employment contract just as we currently disallow any such Hobbesian contract to alienate democratic rights in the political sphere (for an extended analysis of the employment contract, see Ellerman, 1992).

When the democratic principle is applied across the board, then workers would always be member-owners in the company where they work and never just employees. The employment relation would be replaced by the membership relation.

#### *Democratic Socialism is not Democratic in the Enterprise*

“Democratic socialism” refers to a political-economic system where the bulk of industry is state-owned and the state is a political democracy. Is a state-owned firm in a political democracy a democratic firm? For example, is the Post Office a democratic organization since the post office workers, as citizens, elect a President who appoints the Postmaster General? The answer is “No,” but it is important to understand why such state-owned firms are undemocratic.

Democratic socialism is often criticized on grounds of scale. For instance, the workers in any one state-owned company are such a small portion of the total citizenry that they can have little real control over their enterprise. Hence democratic state-socialists become democratic municipal-socialists. If the enterprise was owned by the *local* government, then perhaps the workers would be less alienated. Or at least that seems to be the reasoning.

These practical problems in democratic socialism only veil the flaw in the theory of government ownership, regardless of whether the government is local or national. Citizenship in a democratic polity such as a municipality is based on having the functional role of residing within the jurisdiction of the polity, e.g. having legal residence in the municipality. Thus municipal socialism in effect assigns the ultimate direct control rights to the local residents.

Membership in a democratic enterprise is based on a different functional role, that of working within the enterprise. So-called “democratic socialism” assigns the ultimate control rights over the enterprise to the wrong functional role (the role that defines political citizenship) so it is not even democratic in theory—much less in practice—in the enterprise.

## **The Public/Private Distinction in Democratic Theory**

### *Personal Rights and Property Rights*

A *personal right* is a right that attaches to an individual because the person satisfies some qualification such as playing a certain functional role. Examples include basic human rights where the qualification is simply that of being human, and political citizenship rights in a polity (e.g. municipality) where the functional role is that of residing within the polity. In contrast, a person does not have to satisfy any particular functional role to hold a property right. A property right can be acquired from a prior owner or it can be appropriated as an initial right.

Personal rights are not transferable; they may not be bought or sold. If a personal right (that was supposed to be attached to a functional role) was treated as being marketable, then the buyer might not have the qualifying functional role. And if the would-be buyer did have the functional role, he or she would not need to “buy” the right.

In America, a person might have several quite different types of voting rights:

- a citizen’s political vote in a municipal, state, or federal election;
- a worker’s vote in a union;
- a member’s vote in a cooperative; or
- a shareholder’s votes attached to conventional corporate shares.

Which rights are personal rights and which are property rights?

Personal rights can be easily distinguished from property rights by the *inheritability test*. Since personal rights attach to the person by virtue of fulfilling a certain role, those rights would be extinguished when the person dies. Property rights, however, would pass on to the person’s estate and heirs. That is the contrast, for example, between the voting rights people have in a democratic organization (a polity, a union, or a cooperative) and the voting rights people have as shareholders in a capitalist corporation. Political voting rights are personal rights that are extinguished when the citizen dies whereas voting corporate stock passes to the person’s heirs.

When the direct control rights over an organization are attached to a certain functional role (e.g. the role of being governed by the organization) then that control is “tied down” and attached

in a non-transferable way to the set of people having that role. In contrast, the ultimate control rights over a capitalist corporation are property rights attached to the voting shares so that ownership can not only change “overnight,” it can also become very concentrated in a few hands.

The ultra-capitalist ideal seems to be to have all rights as marketable property rights (see Nozick, 1974). Then society is like a ship with none of the cargo tied down. Even if the ship starts out with the cargo evenly distributed, any wave will start the cargo shifting to one side. Then the shifting weight will cause even more tilt—which in turn causes more cargo to shift to that side.

A similar social instability would result from having political voting rights as marketable property rights. Even with an equal initial distribution, one vote per person, any disturbance would result in some votes being bought and sold which begins the process of accumulation. Then the resulting political concentration would lead to capturing more wealth, more voting buying, and even more concentration. Soon most of the political votes and power would end up in a few hands. Democracy inherently avoids that sort of accumulation process by “tying down” the voting rights as personal rights attached to the functional role of being governed.

We have just this sort of instability in the economic sphere. Capitalism has structured the profit rights and control rights over corporations—where new wealth is created—as transferable property rights. The resulting instability has accordingly led to an incredibly lopsided distribution of wealth which continues to get worse.

The system of economic democracy ties down the profit and control rights over each firm to the functional role of working in that firm. Since those membership rights are non-transferable and non-inheritable, they cannot become concentrated. Workers come to a democratic firm and eventually leave or retire. They keep as property the profits they earn while working in the firm (even if the profits are retained and paid back to them later), but their membership in the firm is a personal right they enjoy only when they work in the firm.

### *Quarantining Democracy in the Public Sphere*

Since the political democratic revolutions of the eighteenth and nineteenth centuries, the government has been the main provider and guarantor of personal rights. Those who own significant property tend to want as much of society as possible to be organized on the basis of property rights, not personal rights. Hence they want “less government.” Well-intended advocates of extending democratic rights to economic issues want “more government.” This

leads to “democratic socialism” where the government swallows the commanding heights of industry.

This “great debate” is ill-posed. It is based on a pair of false identifications: (1) that the sphere of government (“the public sphere”) is the sole arena for personal rights, and (2) that the sphere of social life outside the government (“the private sphere”) is solely based on private property rights. That is the traditional public/private distinction. Capitalism has used it to quarantine the democratic germ in the public sphere of government, and thus to keep the democratic germ out of industry. Instead of redefining those public/private identifications, democratic state-socialism compounds the error by holding that industry can only be democratized by being nationalized.

The rights to democratic self-determination will not remain forever quarantined in the sphere of government. It is an empirical fact of history that, as a result of the political democratic revolutions, the government was the first major organization in society to be switched over to treating its direct control rights (voting rights) as personal rights. There is otherwise no inherent relationship that restricts the idea of democratic self-determination to the political government. There are a host of other non-government organizations in society, corporations, universities, and a broad range of non-profit corporations, where people are also under an authority relation. The “unalienable rights” to democratic self-determination that we enjoy in the political sphere should not suddenly evaporate in the other spheres of life.

The democratic firm is a model of an organization that is democratic and yet is still “private” in the sense of being non-governmental. The membership rights in a democratic firm are personal rights assigned to the functional role of working in the firm.

### *Redefining “Social” to Recast the Public/Private Distinction*

The old public/private distinction is supported by both capitalists and state-socialists. The former use it to argue that the idea of democracy is inapplicable to private industry, and the latter use it to argue that democracy can only come to industry by nationalizing it. But both arguments are incorrect, and the public/private distinction itself must be recast.

The word “private” is used in two senses: (1) “private” in the sense of being non-governmental, and (2) “private” in the sense of being based on private property. Let us drop the first meaning and retain the second. Similarly “public” is used in two senses: (1) “public” in the sense of being governmental, and (2) “public” in the sense of being based on personal rights. Let us use the second meaning and take it as the definition of “social” (instead of “public”). Thus we have the suggested redefinitions:

Social Institution = Based on Personal Rights  
Private Organization = Based on Property Rights.

By these redefinitions, a democratic firm is a social institution (while still being “private” in the other sense of being not of the government), while a capitalist corporation is a private firm (not because it is also non-governmental but because it is based on property rights).

### *People-based versus Property-based Organizations*

The inheritability test can be used to differentiate personal rights from property rights; personal rights are extinguished when a person dies while property rights are passed on to the heirs. The personal/property rights distinction can be used to classify organizations according to whether the membership rights such as the voting rights are personal or property rights. Consider the membership rights in the following organizations:

- democratic political communities (national, state, or local);
- democratic firms (e.g. worker cooperatives),
- trade unions;
- capitalist corporations; and
- condominium associations.

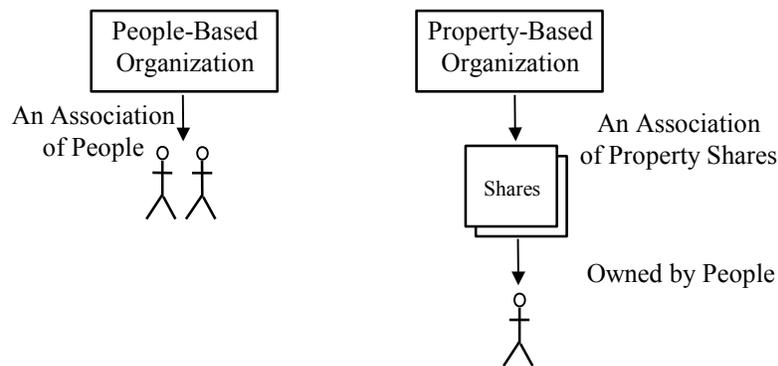
The membership rights in the first three organizational types are personal rights while the membership rights (also called “ownership rights”) in the last two are property rights.

A condominium is an association for the partial co-ownership of housing units (often part of one structure such as an apartment building). The members are the unit-owners. Each unit-owner exclusively owns one or more units, and all the unit-owners through the association own the remaining property in common (e.g. the surrounding grounds). Each unit is assigned a certain percentage of the whole depending on its access to common resources and its drain on common expenses. A unit casts its percentage of the votes and pays that percentage of any common assessments.

A condominium and a capitalist corporation have the common feature that the membership rights are attached to property shares (the units in a condominium and the shares of stock in a corporation) which are owned by persons. In contrast, membership in the other three organizations mentioned above is not obtained through ownership of a piece of property but by personally fulfilling a certain functional role. If an organization is thought of as a molecule made of certain atoms, then the two different organizations have quite different atoms. For the

capitalist corporation and the condominium, the atoms are the property shares (which are owned by people), while for a democratic organization (like the three considered above), the atoms are the people themselves.

We will therefore say that an organization is *people-based* if the membership rights are personal rights (i.e. the atomic building blocks are the people themselves), and that an organization is *property-based* if the membership rights are attached to property shares owned by people.



Two Basic Different Types of Organizations

This useful distinction shows up in ordinary language. In a democracy, the people vote, whereas in a corporation the shares vote, and in a condominium the units vote. In either case, it is people who ultimately cast votes but a citizen casts his or her vote while shareholders cast the votes on their shares and unit-owners cast the votes assigned to their units. The distinction also ties in with the inheritability test. In an association of persons, the death of the person forfeits that membership, but in an association of property shares, the property survives. Thus when a person dies, the heirs do not inherit the person’s political vote but they would inherit any corporate stock or condominium units owned by the deceased.

Another important distinction between a people-based and a property-based organization is in the distribution of ultimate voting rights. In a property-based organization, the most basic “constitutional” voting (say, to adopt the fundamental charter of a corporation) is according to shares. In a people-based organization, the most basic constitutional level of agreement must be based on one-person/one-vote. Moreover since no one can be committed without their consent, the vote must be unanimous. The unanimity requirement is not as restrictive as it seems at first since it may work to determine which people may join an organization. The set of possible members is not necessarily “given” ahead of time. Late joiners need to agree to the basic rules as a condition of joining.

The agreed-upon constitution needs to specify how subsequent decisions will be made. Some later decisions might be delegated to representatives who are selected by some agreed-upon procedure. Other decisions might be put to a vote of the members. In such a second-stage and post-constitutional level of voting, there seems to be no theoretical reason why the voting should be one-person/one-vote—so long as the procedure was agreed to at the constitutional level. Much ink has been spilt on the question of one-person/one-vote in the American worker ownership movement (including by the author). But no convincing basic argument has emerged as to why post-constitutional decision-making in a democratic organization has to be based on the one-person/one-vote rule, or has to be put to a vote at all (as opposed to being a delegated decision). This is not to say that one voting rule is as good as another, but only that fundamental principles do not force the one-person/one-vote rule.

People might belong to many different democratic organizations. Some people might have a very incidental connection to an organization while others might have a central involvement. When the members have agreed on a specific goal, then the members might have very different responsibility for achieving that goal. The members might agree that post-constitutional voting should be based on some measure of a person's contribution or responsibility towards the goal of the organization. For instance in a democratic firm, a person's salary (i.e., share of salary in total salaries) might be taken as a measure of the person's importance to the firm and might be a basis for post-constitutional voting. There might be some psychological resistance to this unequal voting, but, then again, there is also some psychological resistance to unequal salaries in the first place. In the American political system, there is roughly equal voting for candidates to the lower house (the House of Representatives), but there is rather unequal representation in the upper house (the Senate). Each state elects two senators regardless of the size of the state. In a similar manner, one might have different groups in a democratic firm electing representatives to the board of directors. Each person might have the same vote within the group but with different sized groups, there would be unequal representation on the board.

Clearly once an organization gets away from a thorough-going equality rule, then there is room for abuse. One type of abuse would be voting rules that push the organization back towards a property-based organization. For instance, salary is based on the functional role of working in the firm, but the ownership of shares is not. If votes are based on the number of shares owned (e.g., due to using the legal form of a joint stock company) and if shares are freely transferable, then the organization has been converted back into a property-based firm. However, if the number of shares owned is proportional to salary and the shares are not transferable (e.g., are held in a trust), then share-based voting would be compatible with a people-based democratic firm.

## **Democracy Denied by the Employment Contract, not Private Property**

### *The Employment Contract*

We saw in the previous chapter that capitalist production, i.e. production based on the employment contract denies workers the right to the (positive and negative) fruits of their labor. Yet people's right to the fruits of their labor has always been the natural basis for private property appropriation. Thus capitalist production, far from being founded on private property, in fact denies the natural basis for private property appropriation. In contrast, the system of economic democracy based on democratic worker-owned firms restores people's right to the fruits of their labor. Thus democratic firms, far from violating private property, restore the just basis for private property appropriation.

Thus to switch from capitalist firms to democratic firms is a way to transform and perfect the private property system by restoring the labor basis of appropriation. It is not private property that needs to be abolished—but the employment contract. In the switch-over from capitalist firms to democratic firms, the employment relation would be replaced with the membership relation.

A similar picture emerges when the firm is analyzed from the viewpoint of governance rather than property appropriation; the employment contract is the culprit, not private property. The employment contract is the rental relation applied to persons. It is now illegal to sell oneself; workers rent or hire themselves out.

Since slavery was abolished, human earning power is forbidden by law to be capitalized. A man is not even free to sell himself: he must *rent* himself at a wage. (Samuelson, 1976, p. 52 [his italics])

When an entity, a person or a thing, is rented out, then a certain portion of the entity's services are sold. When a car is rented out for a day, a car-day of services are sold. When an apartment is rented out for a month, an apartment-month of services are sold. When a man is rented out for eight hours, eight man-hours of services are sold. The party renting the entity has the ownership of those services which gives that party the direct control rights over the use of the rented entity within the limits of the contract. Thus tenants are free to make their own decisions about using a rented apartment—but only within the constraints set by the rental contract.

It is the same when people are rented. The buyer of the services, the renter of the workers, is the employer. The employer has the direct control rights over the use of those services within the scope of the employment contract. The archaic name for the employer–employee relation is

the “master–servant relation” (language still used in Agency Law). That authority relation is not now and never was a democratic relationship. The employer is not the representative of the employees; the employer does not act in the name of the employees. The right to govern the employees is transferred or alienated to the employer who then acts in his own name; it is not a delegation of authority.

There is the contrasting democratic authority relationship wherein authority is delegated to those who govern from the governed. Those who govern do so in the name of and on behalf of those who are governed. This is the relationship between the managers or governors in a democratic organization (political or economic) and those who are managed or governed.

### *Democratic and Undemocratic Constitutions*

Both authority relations are based on “the consent of the governed.” There are two diametrically opposite types of voluntary contracts or constitutions that can form the basis of constitutional governance:

— the Hobbesian constitution or *pactum subjectionis* wherein the rights of governance are alienated and transferred to the ruler, or

— the democratic constitution wherein the inalienable rights of governance are merely delegated or entrusted to the governors to use on behalf of the governed.

The distinction between these two opposite consent-based authority relations is basic to democratic theory. Sophisticated liberal defenders of undemocratic governments from the Middle Ages onward have argued that government was based on an implicit or explicit social contract of subjugation which transferred the right of governance to the ruler [see Ellerman, 1992 for that intellectual history]. Early proponents of democracy tried to reinterpret the mandate of the ruler as a delegation rather than a transfer.

This dispute also reaches far back into the Middle Ages. It first took a strictly juristic form in the dispute ... as to the legal nature of the ancient “*translatio imperii*” from the Roman people to the Princes. One school explained this as a definitive and irrevocable alienation of power, the other as a mere concession of its use and exercise. ... On the one hand from the people’s abdication the most absolute sovereignty of the prince might be deduced, ... On the other hand the assumption of a mere “*concessio imperii*” led to the doctrine of popular sovereignty. [Gierke, 1966, pp. 93–4]

“Translatio” or “concessio,” transfer or delegation; that is the question.

That question is still with us. As noted previously, the employer is not the delegate or representative of the employees. The employment contract is a *transfer* of the management rights, not a delegation. Thus the employment contract is a limited workplace version of the Hobbesian constitution. The democratic firm is based on the opposite type of constitution, the democratic constitution. The board of directors is the parliament elected by those who are governed. The board selects the top manager (like the prime minister) who in turn assembles the management team. Management governs in the name of and on behalf of the governed.

### *Are Democracy and Private Property in Conflict?*

Economic democracy requires the abolition of the employment relation, not the abolition of private property. But doesn't it require the abolition of the conventional property-based corporation? Isn't that type of corporation undemocratic? Here we must be very careful; the analysis must be much more fine-grained than the crude Marxist slogans about the “private ownership of the means of production.”

The capitalist corporation combines two different functions that must be peeled apart:

- (1) the corporation as a holding company for owning certain assets and liabilities, and
- (2) the corporation as the residual claimant in a production process.

A number of people can pool their assets together and clothe them in a corporate shell by setting up a corporation and putting in their capital assets as equity. That only creates a company in the first sense above. The company is only a holding company for these assets; the company is as yet “uninhabited.” If the corporate assets were just leased out to other parties, that transaction could be handled by the shareholders or their attorneys all without anyone working in the company. The company would remain an asset-holding shell. There is no governance of people, only the administration of things. There is private property, but no employment contract.

It is only when the company wants to undertake some productive activity to produce a product or deliver a service that it would need to hire in employees, buy other inputs, undertake the productive operation, and then sell the resulting product or service. Then the company would be the residual claimant for that operation, bearing the costs and receiving the revenues. It is only in that second role that the corporation becomes an organization for the governance or management of people, the corporate employees. And it acquires that role precisely because of the employment contract. The employment contract is the Archimedean point that moves the capitalist world. From the conceptual viewpoint, the *capitalist* corporation is a “wholly owned subsidiary” of the employment contract.

We have differentiated the roles of private property and the employment contract in the capitalist corporation. Without the employment contract, the corporation as an asset-holding shell is comparable to a condominium. The tenants in a condominium unit (whether a unit-owner or a renter) are not under the authority of the condominium association. The tenant has the direct control rights over the use of the apartment-unit within the constraints specified by the condominium rules (and the rental contract if the apartment is rented out).

In a similar fashion, an uninhabited asset-owning company might lease its assets out to other parties. The company would not have an authority relation (i.e. direct control rights) over the lessees. The lessees could use the leased assets within the constraints of the lease contract.

Is a capitalist corporation undemocratic? In which role? In its role as a depopulated asset-holding shell, it does not have an authority relation over any people at all. It would not then be an organization for the governing of people, only for the management of property. It thus would be neither democratic nor undemocratic since no people were governed. When a farmer manages his farmland property, we do not ask if he does so democratically or undemocratically since the management of his property does not involve an authority relationship over other people. In the same fashion, we may say that a conventional corporation that is without any employment contract and that operates solely as an asset-holding shell is neither democratic nor undemocratic. Yet it is a privately owned property-based organization. Thus there is no inherent conflict between “the private ownership of the means of production” and democratic rights in the workplace.

A conventional corporation only takes on an authority relation over people when it hires them as employees (managers or blue-collar workers). And, as we have seen, there *is* a conflict between democratic rights and the employment contract. Thus democratic rights require not the abolition of the private ownership of the means of production but of the employment contract. They require that conventional corporations not be abolished but only “depopulated” as a result of the abolition of the employment relation. To be employed productively, the assets would have to be leased to a democratic firm.

The reversal of the contract between capital and labor (so that labor hires capital) could also take place by internally restructuring a capitalist corporation as a democratic firm with the old shareholders’ securities being restructured as participating debt securities.

Democracy can be married with private property in the workplace; the result of the union is the democratic worker-owned firm.

## The *De Facto* Theory of Inalienable Rights

The analysis of capitalist production based on the labor theory of property (see previous chapter) culminated in an argument that the employment contract was a juridically invalid contract. It pretends to alienate that which is *de facto* inalienable, namely a person's *de facto* responsibility for the positive and negative results of his or her actions. This *de facto* inalienability of responsibility was illustrated using the example of the employee who commits a crime at the command of the employer. Then the legal authorities intervene, set aside the employment contract, and recognize the fact that the employee and employer cooperated together to commit the crime. They are jointly *de facto* responsible for it, and the law accordingly holds them legally responsible for it.

When the joint venture being carried out by employer and employees is not criminal, the employees do not suddenly become *de facto* instruments. However, the law then does not intervene. It accepts the employees' same *de facto* responsible cooperation with the employer as "fulfilling" the contract. The employer then has the legal role of having borne the costs of all the used-up inputs including the labor costs, so the employer has the undivided legal claim on the produced outputs. Thus the employer legally appropriates the whole product (i.e. the input-liabilities and the output-assets).

The critique does not assert that the employment contract is involuntary or socially coercive. The critique asserts that what the employees do voluntarily (i.e. voluntarily co-operate with the employer) does not fulfill the employment contract. Labor, in the sense of responsible human action, is *de facto* non-transferable, so the contract to buy and sell labor services is inherently invalid. The rights to the positive and negative fruits of one's labor are thus inalienable rights.

This argument is not new; it was originally developed by radical abolitionists as a critique of the voluntary self-sale contract and it was the basis for the antislavery doctrine of inalienable rights developed during the Enlightenment. The employment contract is the self-rental contract, the contract to sell a limited portion of one's labor—as opposed to selling all of one's labor, "rump and stump" [Marx, 1906, p. 186] as in the self-sale contract. But *de facto* responsibility does not suddenly become factually transferable when it is "sold" by the hour or day rather than by the lifetime. Thus economic democrats are the modern abolitionists who apply the same inalienable rights critique to the employment contract that their predecessors applied to the self-sale contract.

This *de facto* theory of inalienable rights was also developed as a part of democratic theory. There it was directed not against the individual self-enslavement contract but against the collective version of the contract, the Hobbesian *pactum subjectionis*. In questions of

governance (as opposed to production), the emphasis is on decision-making (as opposed to responsibility). But the basic facts are the same. Decision-making capacity is *de facto* inalienable. A person cannot in fact alienate his or her decision-making capacity just as he or she cannot alienate *de facto* responsibility. “Deciding to do as one is told” is only another way of deciding what to do.

Here again it is useful to contrast what one can do with oneself with what one can do with a thing such as a widget-making machine. When the machine is leased out to another individual, the machine can in fact be turned over to be employed by that “employer.” The employer can then use the machine without any personal involvement of the machine-owner. The employer is solely *de facto* responsible for the results of said use. Furthermore, the employer has the direct control rights over the use of the machine. The employer decides to use the machine to do X rather than Y (within the scope of the lease contract), and the machine-owner is not involved in that decision making. Thus decision-making about the particular use of the machine and the responsibility for the results of the machine’s services are *de facto* alienable from the machine-owner to the machine-employer.

The employment contract applies the same legal superstructure to the very different case when the worker takes the place of the machine. Then the decision-making and the responsibility for the results of the services is not *de facto* transferable from the worker to the employer.

People cannot in fact alienate or transfer decision-making capability—but persons can delegate the authority to make a decision to other persons acting as their representatives or agents. The first persons, the principals, then accept and ratify the decisions indicated by their delegates, representatives, or agents.

The Hobbesian *pactum subjectionis* is the political constitution wherein a people legally alienate and transfer their decision-making rights over their own affairs to a Sovereign (see Philmore, 1982 reprinted in Ellerman, 1995, Chapter 3 for an intellectual history of the *liberal* contractarian defense of slavery and autocracy). Since human decision-making capability is *de facto* inalienable, Enlightenment democratic theory argued that the Hobbesian contract was inherently invalid.

There is, at least, *one* right that cannot be ceded or abandoned: the right to personality. Arguing upon this principle the most influential writers on politics in the seventeenth century rejected the conclusions drawn by Hobbes. They charged the great logician with a contradiction in terms. If a man could give up his

personality he would cease being a moral being... This fundamental right, the right to personality, includes in a sense all the others. To maintain and to develop his personality is a universal right. It ... cannot, therefore, be transferred from one individual to another... There is no *pactum subjectionis*, no act of submission by which man can give up the state of a free agent and enslave himself. (Cassirer 1963, p. 175)

The employment contract can be viewed both as a limited individual version of the rump-and-stump labor contract (the self-sale contract) and as a limited economic version of the Hobbesian collective contract. The employees legally alienate and transfer to the employer their decision-making rights over the use of their labor within the scope of their employment. Thus the other branch of inalienable rights theory, the critique of the Hobbesian contract, can also be applied against the employment contract.

The critique of the employment contract based on the *de facto* inalienability of responsibility and decision-making thus descends to modern times from the abolitionism and democratic theory of the Enlightenment which applied the critique to the self-sale contract and the *pactum subjectionis*.

# Chapter 3: *The Democratic Firm*

## **Theoretical Basis for the Democratic Firm**

### *The Democratic Principle and the Labor Theory*

We now start the descent from first principles—the labor theory of property and democratic theory—down to the structure of the democratic worker-owned company.

In the world today, the main form of enterprise is based on renting human beings (privately or publicly). Our task is to construct the alternative. In the alternative type of firm, employment by the firm is replaced with membership in the firm. How can the corporation be taken apart and reconstructed without the employment relation? How can the labor principle at the basis of private property appropriation be built into corporate structure? How can the democratic principle of self-governance be built into corporate structure?

In a capitalist corporation, the shareholders own, as property rights, the conventional ownership bundle of rights.

The Conventional Ownership Bundle (partitioned into two parts)

Residual claimant or membership rights (#1 & #2) =	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) =	3. Net asset rights to the net value of the current corporate assets and liabilities.

Restructuring the corporation to create a democratic firm does not mean just finding a new set of owners (such as the “employees”) for that bundle of rights. It means taking the bundle apart and restructuring the rights so that the whole nature of “corporate ownership” is changed.

The democratic firm is based on two fundamental principles:

*Democratic principle of self-government*: people's inalienable right to self-govern all of their human activities (political or economic), and

*Labor theory of property*: people's inalienable right to appropriate the (positive and negative) fruits of their labor.

These two principles are correlated respectively with the first two rights in the conventional ownership bundle:

- the voting rights and
- the residual or net income rights

which are attached to the pure (current) residual claimant's role and which will be called the *membership rights*. We will see that:

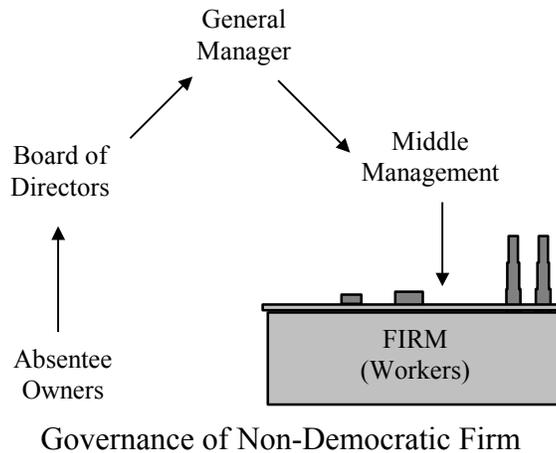
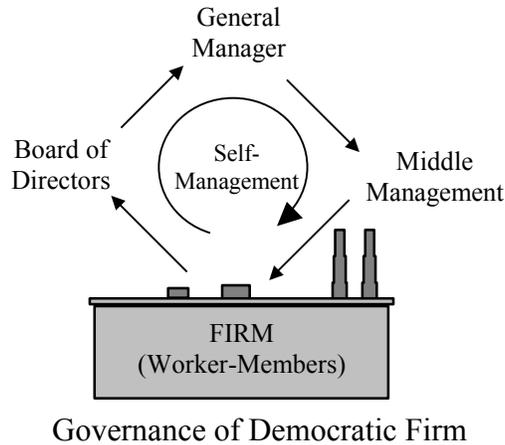
the democratic principle implies that the voting rights should be assigned to the workers, and the labor theory of property implies that the residual rights should be assigned to the workers.

#### *Implementing the Democratic Principle in an Organization*

How are the two fundamental principles realized in the design of organizations?

The principle of democratic self-government or self-management is built into the structure of an institution by assigning the right to elect the governors to the functional role of being governed.

The only people who are under the authority of the management (i.e. who take orders from the managers) of an economic enterprise are the people who work in the enterprise. Therefore the democratic principle is implemented in a firm by assigning to the people who work in the firm the voting rights to elect those managers (or to elect the board that selects the managers).



In contrast, the ultimate control rights in a non-democratic firm are not held by those who are governed.

Note that the democratic principle assigns the right to elect those who govern to those who are *governed*. There are a number of outside groups whose rightful interests (i.e. property or personal interests protected by rights) are only *affected* by company activities such as the consumers, shareholders, suppliers, and the local residents. By what we called the “affected interests principle,” those outside interests should be protected by a voluntary interface between the enterprise and the affected parties. By the market relationship (where more choice between firms is preferred to less), customers and suppliers can largely protect their interests. For externalities such as pollution, governments can establish emission restrictions, pollution taxes, or subsidies for pollution control equipment.

The democratic principle assigns the direct control right giving the ultimate authority for governance decisions to the governed. Since the external parties do not fall under the authority

of the management of the firm (that is, do not take orders from the managers), the democratic principle does not assign the external parties a direct control right to elect that management.

In summary,

*Affected Interests Principle*: the veto to those only affected,

*Democratic Principle*: the vote to those who are governed.

### *Implementing the Labor Theory in an Organization*

The “*labor theory*” has always had two quite different interpretations:

(A) as a *theory of value* holding that price or value is determined by labor, and

(B) as a *theory of property* holding that workers should get the fruits (both positive and negative) of their labor.

Neo-classical economics has focused on the labor theory of value as a theory of price, but it is “the labor theory” as a theory of property, that is, the *labor theory of property*, that determines the structure of property rights in a democratic firm.

The positive fruits of the labor of the people working in an enterprise (workers including managers) are the new assets produced as outputs which could be represented as Q. The negative fruits of their labor are the liabilities for the inputs used up in the production process. The used-up inputs could be represented by K (all non-labor inputs such as capital services and the services of land).

The firm as a corporate entity legally owns those assets Q and holds those liabilities for the used-up K. Therefore the people who work in a firm will jointly appropriate the positive and negative fruits of their joint labor when *they* are the legal members of the firm.

The labor theory of property is implemented in the legal structure of a company by assigning the residual rights to the functional role of working in the company.

If P is the unit price of the outputs Q and R is the unit rental rate for the input services K, then the residual  $PQ - RK$  is the revenue minus the non-labor costs. In a democratic firm, that residual would be the labor income accruing to the workers as wages and salaries paid out during the year and as surplus or profits determined at the end of the fiscal year. Thus both “wages” and “profits” are labor income; there is only a timing difference between them.

## The Democratic Labor-based Firm

### *Definition of the Legal Structure*

In a capitalist corporation, the membership rights (voting and profit rights) are part of the property rights attached to the shares which are transferable on the stock market or in private transactions. In a democratic firm, the membership rights are not property rights at all; they are personal rights assigned to the functional role of working in the firm, i.e. assigned to the workers as workers (not as capital suppliers).

In particular, the democratic principle states that the right to elect those who govern or manage (for example, the municipal government) should be assigned to the functional role of being governed or managed (e.g. living in the municipality). Hence the democratic principle assigns the voting rights to elect the board of directors to the workers as their personal rights (because they have the functional role of being managed). After an initial probationary period, it is “up or out”; a worker is either accepted into membership or let go so that all long-term workers in the firm are members. Upon retiring or otherwise leaving the firm, the member gives up the membership rights so that the votes always go to those being governed.

In a similar manner, the labor theory of property states that the rights to the produced outputs (Q) and the liabilities for the used-up inputs (K) should be assigned to the functional role of producing those outputs and liabilities. Hence the labor theory assigns the residual rights to the workers as their personal rights (because they have the functional role of producing those outputs and using up those inputs). If a worker left enterprise A and joined firm B, then he or she would forfeit any share in the future residual of A (since he or she ceased to produce that residual) and would gain a residual share in firm B.

The democratic principle and the labor theory of property are thus legally institutionalized in a corporation by assigning the two membership rights, the voting rights and the residual claimant rights, to the functional role of working in the firm. When membership rights are thus assigned to the role of labor, then the rights are said to be *labor-based*. When membership rights are owned as property or capital, the membership rights are to be *capital-based* or *capital-ist* even when those rights are owned by the employees. In the democratic labor-based firm, the workers are the masters of their enterprise—and they are the masters *as workers*, not as “small capitalists.”

The third set of rights in the conventional ownership bundle, the net asset rights (i.e., the rights to the net value of the current assets and liabilities), are quite different. They represent the value of the original endowment plus the value of the past fruits of the labor of the firm’s current

and past members reinvested in the firm. The rights due to the members' past labor should be respected as property rights eventually recoupable by the current and past members.

The job of restructuring the conventional ownership bundle to create the legal structure of a *democratic firm* (also “democratic labor-based firm” or “democratic worker-owned firm”) can now be precisely specified.

#### Restructured Ownership Bundle in a Democratic Firm

Membership rights (#1 & #2) assigned as personal rights to worker's role.	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) are property rights recorded in internal capital accounts.	3. Net asset rights to the net value of the current corporate assets and liabilities.

The first two rights, the voting and residual rights, i.e. the membership rights, should be assigned as personal rights to the functional role of working in the firm. The third right to the value of the net assets should remain a property right recoupable in part by the current and past members who invested and reinvested their property to build up those net assets (see the later discussion of internal capital accounts).

#### *The Social Aspects of Democratic Labor-based Firms*

The democratic labor-based firm does not just supply a new set of owners for the conventional ownership bundle of rights. It completely changes the nature of the rights and thus the nature of the corporation.

Who “owns” a democratic labor-based firm? The question is not well-posed—like the question of who “owns” a freedman. The conventional ownership bundle has been cut apart and restructured in a democratic firm. The membership rights were completely transformed from property or ownership rights into personal rights held by the workers. Thus the workers do hold the “ownership rights” but not *as ownership rights*; those membership rights are held *as personal rights*. Thus it may be more appropriate to call the workers in a democratic firm “members” rather than “owners.” Nevertheless, they are the “owners” in the sense they do hold the “ownership rights” (as personal rights), and it is in that sense that we can call a democratic labor-based firm a “worker-owned firm.”

The change in the nature of the membership rights from property rights to personal rights implies a corresponding change in the nature of the corporation itself. No longer is it “owned” by anyone. The “ownership” or membership rights are indeed held by the current workers (so

they will self-manage their work and reap the full fruits of their labor) but they do not own these rights as their property which they need to buy or can sell. The workers qualify for the membership rights by working in the firm (beyond a certain probationary period) and they forfeit those rights upon leaving.

Since those membership rights are not property which could be bought or sold, the democratic labor-based corporation is not a piece of property. It is a *democratic social institution*.

It is useful to contrast the democratic labor-based corporation with a democratic city, town, or community. It is sometimes thought that, say, a municipal government is “social” because it represents “everyone” while a particular set of workers in an enterprise is “private” because that grouping is not all-inclusive. But no grouping is really “all-inclusive”; each city excludes the neighboring cities, each province excludes the other provinces, and each country excludes the other countries. Only “humanity” is all-inclusive—yet no government represents all of humanity.

Governments are “all-inclusive” in that they represent everyone who legally resides in a certain *geographical* area, the jurisdiction of the local, state, or national government. But the management of a democratic firm is *also* “all-inclusive” in that it represents everyone who works in the enterprise. It is a community of those who *work* together, just as a city or town is a community of those who *live* together in a certain area. Why shouldn’t a grouping of people together by common labor be just as “social” as the grouping of people together by a common area of residence?

The genuinely “social” aspect of a democratically governed community is that the community itself is not a piece of property. The right to elect those who govern the community is a personal right attached to the functional role of being governed, that is, to legally residing within the jurisdiction of that government. Citizens cannot buy those rights and may not sell those rights—they are personal rights rather than property rights.

In contrast, consider a town, village, or protective association (see Nozick, 1974) that was “owned” by a prince or warlord as his property, a property that could be bought and sold. That would be a “government” of a sort, but it would not be a *res publica*; that “government” would not be a social or public institution.

The democratic corporation is a social community, a community of work rather than a community of residence. It is a republic or *res publica* of the workplace. The ultimate governance rights are assigned as personal rights to those who are governed by the management, that is, to the people who work in the firm. And in accordance with the property rights version

of the “labor theory of value,” the rights to the residual claimant’s role are assigned as personal rights to the people who produce the outputs by using up the inputs of the firm, that is, to the workers of the firm. This analysis shows how a firm can be socialized and yet remain “private” in the sense of not being government-owned.

### **Capital Rights in Democratic Firms**

#### *What About the Net Asset Value of a Corporation?*

We have so far focused most of our attention on the membership rights (the first two rights in the ownership bundle) in our treatment of the democratic firm. Now we turn to the third right, the right to the net asset value. That is the hard one. One of the most important and most difficult aspects of enterprise reform is again in the treatment of those property rights.

The value of that third right is the net asset value, the value of the assets (depreciated by use but perhaps with adjustments for inflation) minus the value of the enterprise’s liabilities. The net asset value may or may not be approximated by the net *book* value depending on the bookkeeping procedures in use [see Ellerman, 1982 for a treatment of such accounting questions]. Of more importance, the net asset value is not the same as the so-called “value of a [capitalist] corporation” even if all the assets have their true market values. The “value of a corporation” is the net asset value *plus* the net value of the fruits of all the future workers in the enterprise [see Ellerman 1982 or 1986 for a formal model]. In a democratic firm, the net value of the fruits of the future workers’ labor should accrue to those future workers, not the present workers. Hence our discussion of the capital rights of the current workers quite purposely focuses on the net asset value, not the “value of the corporation.”

The net asset value arises from the original endowment or paid-in capital of the enterprise plus (minus) the retained profits (losses) from each year’s operations. Thus it is not necessarily even the fruits of the labor of the current workers; the endowment may have come from other parties and the *past* workers who made the past profits and losses. Hence the third right, the right to the net asset value, should *not* be treated as a personal right attached to the functional role of working in the firm.

There is considerable controversy about how the net asset value should be treated. One widespread socialist belief is that the net asset value must be collectively owned as in the English common-ownership firms or the former Yugoslav self-managed firms; otherwise there would be “private ownership of the means of production.” To analyze this view, it must first be recalled that the control (voting) and profit rights have been partitioned away from the rights to the net asset value. The phrase “private ownership of the means of production” usually does include

specifically the rights to control and reap the profits from the means of production. But those rights have been restructured as personal rights assigned to labor in the democratic firm. Hence the remaining right to the net asset value does *not* include the control and profit rights traditionally associated with “equity capital” or with the “ownership of the means of production.”

Let us suppose that it is still argued that any private claim (for example, by past workers) on the net asset value of a democratic firm would be “appropriating social capital to private uses.” This argument has much merit for that portion of the net asset value that comes from some original social endowment. But what about that portion of the net asset value that comes from retained earnings in the past?

In a democratic firm, the past workers could, in theory, have used their control and profit rights to pay out all the net earnings instead of retaining any in the firm. Suppose they retained some earnings to finance a machine. Why should those workers lose their claim on that value—except as they use up the machine? Why should the fruits of their labor suddenly become “social property” simply because they choose to reinvest it in their company?

Consider the following thought-experiment. Instead of retaining the earnings to finance a machine, suppose the workers paid out the earnings as bonuses, deposited them all in one savings bank, and then took out a loan from the bank to finance the machine using the deposits as collateral. Then the workers would not lose the value of those earnings since that value is represented in the balance in their savings accounts in the bank. And the enterprise still gets to finance the machine. Since the finance was raised by a loan, there was no private claim on the social equity capital of the enterprise and thus no violation of “socialist principles.” The loan capital is capital hired by labor; it gets only interest with no votes and no share of the profits.

Now we come to the point of the thought-experiment. How is it different in principle if we simply leave the bank out and move the workers’ savings accounts into the firm itself? Instead of going through the whole circuitous loop of paying out the earnings, depositing them in the bank’s savings accounts, and then borrowing the money back—suppose the firm directly retains the earnings, credits the workers’ savings accounts in the firm, and buys the machine. The capital balance represented in the savings accounts is essentially *loan* capital. It is hired by labor, it receives interest, and it has no votes or profit shares. Such accounts have been developed in the Mondragon worker cooperatives, and they are called *internal capital accounts*.

One lesson of this thought-experiment is that once the control and profit rights have been separated off from the net asset value, any remaining claim on that value is essentially a debt claim receiving interest but no votes or profits. “Equity capital” (in the traditional sense) *does not exist* in the democratic firm; *labor* has taken on the residual claimant’s role.

### *Capital Accounts as Flexible Internal Debt Capital*

Internal capital accounts for the worker-members in a democratic corporation are a form of debt capital. Labor is hiring capital, and some of the hired capital is provided by the workers themselves and is recorded in the internal capital accounts. These internal capital accounts represent *internal debt capital* owed to members, as opposed to *external* debt owed to outsiders. Instead of debt and equity as in a conventional corporation, a democratic firm with internal capital accounts has external and internal debt.

How does internal debt differ from external debt, and how does an internal capital account differ from a savings account? Any organization, to survive, must have a way to meet its deficits. There seem to be two widely used methods: (1) tax, and (2) lien. Governments use the power to tax citizens, and unions similarly use the power to assess or tax members to cover their deficits. Other organizations place a lien on certain assets so that deficits can be taken out of the value of those assets. For instance, it is a common practice to require damage deposits from people renting apartments. Damages are assessed against the deposit before the remainder is returned to a departing tenant.

A free-standing democratic firm must similarly find a way to ultimately cover its deficits. Assuming members could always quit and could not then be assessed for possible losses accumulating in the current year, the more likely method is to place a lien against any money owed to the member by the firm. Each member's share of the losses incurred while the worker was a member of the firm would be subtracted from the firm's internal debt or internal capital account balance for the member. This procedure would be agreed to in the constitution or ground rules of the democratic firm. Losses, of course, may not be subtracted from the external debts owed to outsiders. Hence internal debt in a democratic firm would have the unique characteristic of being downward flexible or "soft" in comparison with external "hard" debt. It is thus also different from a savings account in a bank which would not be debited for a part of the bank's losses.

In the comparison between a democratic firm and a democratic political government, the firm's liabilities are analogous to the country's national debt. The internal capital accounts, as internal debt capital, are analogous to the domestic portion of the national debt owed to the country's own citizens. The differences arise because of the two different methods of covering deficits. The firm uses the lien method while political governments rely on the power to tax.

The firm's lien against a member's internal capital account also motivates the common practice of requiring a fixed initial membership fee to be paid in from payroll or out of pocket.

Then there is an initial balance in each member's account to cover a member's share of losses during his or her first year of work.

Profits or year-end surpluses, like losses or year-end deficits, would be allocated among the members in accordance with their labor, not their capital, since labor is hiring capital and is thus the residual claimant. The labor of each member is commonly measured by their wage or salary, or, in some cases, by the hours regardless of the pay rate. In worker cooperatives, that measure of each member's labor is called "patronage" and net earnings are allocated in accordance with labor patronage.

When the net earnings are negative, the losses are allocated between the capital accounts in accordance with labor. Thus the system of internal capital accounts provides a risk-absorbing mechanism with a labor-based allocation of losses.

### *The Internal Capital Accounts Rollover*

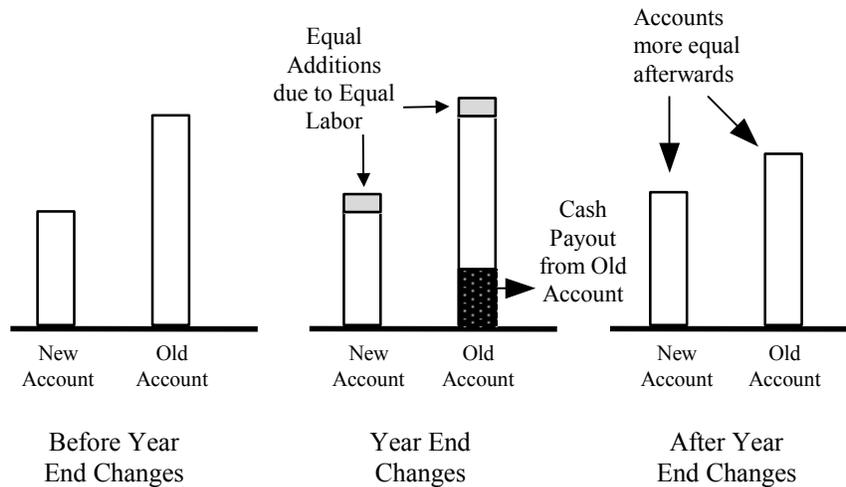
"Allocation" is not the same thing as cash distribution. There are good practical arguments for *not* paying out current profits as current labor dividends. The immediate payout of current profits promotes a "hand-to-mouth" mentality and fails to tie the workers' interests to the long term interests of the enterprise. By retaining the profits and crediting that value to the capital accounts, the workers need to insure that the enterprise prospers so their value can eventually be recovered.

When should the accounts be paid out? One idea is to leave the account until the worker retires or otherwise terminates work in the enterprise, and then to pay out the account over a period of years. There are several reasons why that termination payout scheme is not a good idea.

By waiting until termination or retirement for the account payout, the accounts of the older workers would be much larger than those of the younger workers and thus the older workers would be bearing a grossly unequal portion of the risk. Risk-bearing should be more equally shared between the older and younger workers. Moreover, it would create an incentive for the older and better trained workers to quit in order to cash out their account and reduce their risks. For young workers, retirement is too distant a time horizon. Current profits would be an almost meaningless incentive for them if the profits could not be recovered until retirement. And finally cash flow planning would be difficult if the cash demands of account payouts were a function of unpredictable terminations.

These problems with the termination payout scheme are alleviated by an "account rollover scheme" wherein the account entries are paid out after a fixed time period. The allocations to the

accounts are dated. Cash payouts should be used to reduce the older entries in the capital accounts. If an account entry has survived the risk of being debited to cover losses for, say, five years, then the entry should be paid out. That is sometimes called a “rollover” (as in rolling over or turning over an inventory on a first-in-first-out or FIFO basis) and it tends to equalize the balances in the capital accounts and thus equalize the risks borne by the different members.



Internal Capital Account Rollover

Current retained labor patronage allocation adds to all members’ accounts (equal additions assumed in the above illustration), and then the cash payouts reduce the balance in the larger and older accounts—thereby tending to equalize all the accounts. The incentive to terminate is relieved since the account entries are paid out after the fixed time period whether the member terminates or not. And cash flow planning is eased since the firm knows the payout requirements, say, five years ahead of time.

Instead of receiving wages and current profit dividends, workers would receive wages and the five-year-lagged rollover payments. New workers would not receive the rollover payments during their first five years. They would be, as it were, paying off the “mortgage” held by the older workers—without being senior enough to start receiving the “mortgage payments” themselves.

*A Collective Internal Capital Account*

In a socialist country, some of a democratic firm’s net asset value might be endowed from a governmental unit, and there is no reason why that value should ultimately accrue to the workers of

the enterprise. Hence there should be a *collective account* to contain the value of the collective endowment not attributable to the members.

Assets	Liabilities
Cash	External Debts
Inventory	Internal Capital Accounts
Equipment	(internal debts)
Real Estate	Collective Account

#### Balance Sheet with Internal Capital Accounts

The net asset value (defined as the value of the assets minus the value of the external debts) equals the sum of the balances in the individual capital accounts and the collective account. Two other accounts, a temporary collective account called a “suspense account” and a “loan balance account,” will be introduced in the later model of a hybrid democratic firm in order to accommodate ESOP-type transactions.

There is another reason for a collective account, namely, self-insurance against the risks involved in paying out the members’ capital accounts. After retirement, the enterprise must pay out to a member the remaining balance in the worker’s capital account. In an uncertain world, it would be foolish to think that an enterprise could always eventually pay out 100 per cent of its retained earnings. Any scheme to finance that payout would have to pay the price of bearing the risk of default. One option is always self-insurance. Instead of promising to ultimately pay back 100 per cent of retained earnings to the members, the firm should only promise, say, a 70 per cent or a 50 per cent payback. That is, 30 per cent to 50 per cent of the retained earnings could always be credited as a “self-insurance allocation” to the collective account, and that would serve to insure that the other 70 per cent to 50 per cent could ultimately be paid back to the members.

The self-insurance allocation should also be applied to losses. That is, when retained earnings are negative, 30 per cent to 50 per cent should be debited to the collective account with the remaining losses distributed among the members’ individual capital accounts in accordance with labor patronage. Thus the self-insurance allocation would dampen both the up-swings and down-swings in net income.

The current members of a democratic firm with a large collective account should not be allowed to appropriate the collective account by voluntary dissolution (after paying out their

individual accounts). Any net value left after liquidating the assets and paying out the external and internal debts should accrue to charitable organizations or to *all* past members.

### *Financing Internal Capital Account Payouts*

In an economy where all firms were organized as democratic labor-based firms, there would be no equity capital markets since membership rights would not be property rights at all. However, there could and should be a vigorous market in debt capital instruments such as bonds, debentures, and even variable interest or “participating” debt securities.

How can democratic firms finance the payouts of their internal capital accounts? For a debt instrument with a finite maturity date, a company must eventually pay out the principal amount of the loan. However, a capitalist firm does not have to ever pay out the issued value of an equity share. A democratic firm could obtain the same effect by issuing perpetual debt instruments which pay interest but have no maturity date. Such a debt security is called a *perpetuity* or a *perpetual annuity* [see Brealey and Myers, 1984]. If the firm ever wants to pay off the principal value of a perpetuity, it simply buys it back.

A democratic firm could use perpetuities to pay out the rollover or the closing balance in an internal capital account. To increase the perpetuity’s resale value on debt markets, many firms could pool the risks by issuing the perpetuities through a government, quasi-public, or cooperative financial institution or bank.

The pooling bank would pay a lower interest rate on the face value of the perpetuity than the firms pay to it; the difference between the interest rates would cover the risks of default and the transactions costs. The allocation to the collective account for the purpose of self-insurance would not then be necessary since the cost of risk would be borne by the firm in the form of the interest differential. Since the perpetuities would be guaranteed by the pooling institution (not the firm), workers could resell them without significant penalty.

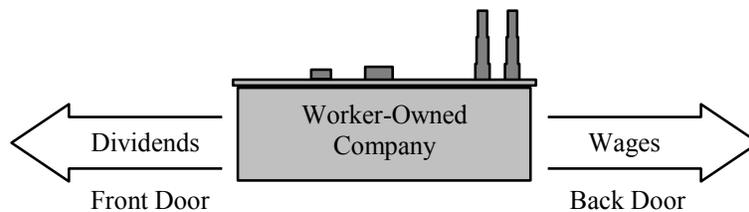
The balance in a worker’s internal capital account is a property right, not a personal right. For instance, if a worker-member dies, his or her vote and right to a residual share are extinguished but the right to the balance in the account passes to the heirs. Since the balance in the account is a property right, why can’t the worker sell it? The only reason is the lien the enterprise has against the account to cover the worker’s share of future losses (while the worker is a member). But if the balance is large enough (in spite of the rollover) or the worker is near enough to retirement, then part of the account *could* be paid out in salable perpetuities (in addition to the rollover payouts). Internal capital accounts could also be paid out using *variable income* or “participating” securities.

### *Participating Securities*

Since democratic organizations can only issue debt instruments, greater creativity should be applied to the design of new forms of corporate debt. Some risks could be shared with creditors by a reverse form of profit-sharing where the interest rate was geared to some objective measure of enterprise performance.

In a worker-owned firm, conventional preferred stock would not work well since it is geared to common stock. Ordinarily, common stockholders can only get value out of the corporation by declaring dividends on the common stock. Preferred stock has value because it is “piggy-backed” onto the common stock dividends. Dividends up to a certain percentage of face value must be paid on preferred stock before any common stock dividends can be paid. Preferred stockholders do not need control rights since they can assume the common stockholders will follow their own interests.

The preferred stockholders are like tax collectors that charge their tax on any value the common stockholders take out the front door. But that theory breaks down if the common stockholders have a *back door*—a way to extract value from the company without paying the tax to the preferred stockholders.



The Back Door Problem

That is the situation in a worker-owned company where the employees own the bulk of the common stock. They can always take their value out the “back door” of wages, bonuses, and benefits without paying the “tax” to the preferred stockholders. Hence the valuation mechanism for preferred stock breaks down in worker-owned companies. For similar reasons, absentee ownership of a minority of common stock would not make much sense in a worker-owned company; the workers would have little incentive to pay common dividends out the front door to absentee minority shareholders when the back door is open. *Discretionary* payments won’t be made out the front door when the back door is open.

There are two ways to repair this problem in worker-owned companies:  
— charge the preferred stock “tax” at all doors (front and back), or

— make the payout to preferred stockholders more mandatory and thus independent of what goes out the doors.

The first option leads to a form of non-voting preferred stock that would be workable for worker-owned companies where the preferred “dividend” is required and is geared to some other measure of the total value accruing to the worker-owners.

The second option pushes in the direction of a debt instrument—perhaps with a variable income feature. The interest could be variable but mandatory, geared to the company’s “value-added” (revenue minus non-labor costs) to establish a form of profit-sharing in reverse (labor sharing profits with capital).

The two resulting conceptions are about the same: a non-voting preferred stock with a required “dividend” geared to some measure of the workers’ total payout, and a perpetual bond with a variable return geared to value-added. Debt-equity hybrids are sometimes called “dequity.” This general sort of non-voting, variable income, perpetual security could be called a *participating dequity security* since outside capital suppliers participate in the variability of the value-added. Jaroslav Vanek [1977, Chapter 11] describes a similar “variable income debenture” and Roger McCain [1977, pp. 358-9] likewise considers a “risk participation bond.”

A debt instrument where interest is only payable if the company has a certain level of net income is called an “income bond” [see Brealey and Myers, 1984, p. 519]. Dividends on preferred and common stock is paid at the discretion of the board of directors whereas the interest on an income bond *must* be paid if the company has a pre-specified level of accounting net income.

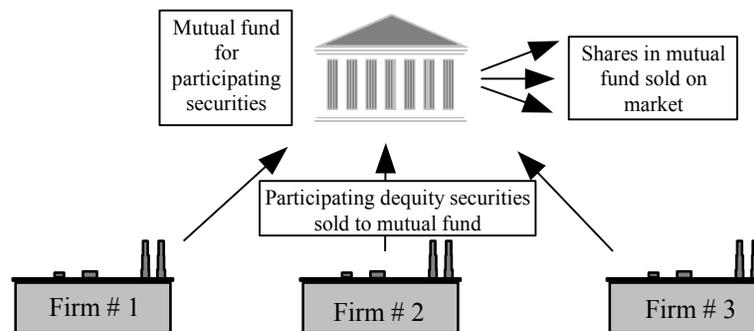
There is also a special type of income bond with two levels of interest; some interest is fixed, and then an additional interest or “dividend” is only payable if the company has sufficient income. These partly fixed-interest and partly variable-interest bonds are called “participating bonds” or “profit-sharing bonds” [Donaldson and Pfahl, 1963, p. 192]. A participating perpetuity would be a perpetual security with the participation feature.

Could large public markets be developed for such participating securities? Yes, such securities would closely approximate the dispersed equity shares in the large public stock markets in the United States and Europe. With the separation of ownership and control in the large quoted corporations, the vote is of little use to small shareholders. The notion that a publicly-quoted company can “miss a dividend” means that the dividend is sliding along the scale from being totally discretionary towards being more expected or required. Thus dispersed equity shares in large quoted corporations already function much like non-voting, variable

income, perpetual securities, i.e. as participating equity securities. Thus public markets in participating equity securities not only can exist but in effect already do exist.

### *Mutual Funds for Participating Securities*

It was previously noted that the market value of fixed-income securities would be enhanced if they were issued by a financial intermediary which could pool together the securities of a number of enterprises.



Pooling Participating Securities in a Mutual Fund

That application of the “insurance principle” would reduce the riskiness of the mixed-interest participating securities. There could be a “mutual fund” or “unit trust” that pools together the participating securities of enterprises it felt had good profit potential. Risk-taking individuals could buy securities directly from companies, while more risk-averse individuals could buy shares of mutual funds that pooled together participating securities from many companies.

Workers receiving participating securities from their company could sell them directly for cash, hold them and receive interest, or could swap them for shares in the mutual fund carrying that company’s participating securities which could then be held or sold.

The participating securities also reduce risk for the company. The variable interest portion automatically reduces the interest charges when the company takes a downturn. The security-holder then gets less so the security-holder has shared the risk. The interest charges go up when the firm does well—but not beyond the maximum variable-interest cap. Thus the participating securities work to reduce the variance or variability of the net income for the company as a whole. Participating equity securities allow democratic firms to utilize the risk allocative efficiency of public capital markets without putting the membership rights up for sale.

Aside from diversifying risk, the other major use of participating securities is to pay out the internal capital accounts of workers due to receive a “rollover” payment or who have retired or

otherwise terminated work in the company. A public capital market in participating securities allows workers to capitalize the value of their internal capital accounts without the company itself having to “provide the market.”

# Chapter 4: *Worker Cooperatives*

## **Introduction: Worker Ownership in America**

In the second half of the nineteenth century, the first American trade unions of national scope, the National Trade Union and the Knights of Labor, saw their ultimate goal as a Cooperative Commonwealth where the wage system would be replaced by people working for themselves in worker cooperatives. Around the turn of the century, these reform unions were replaced by the business unions which accepted the wage system and sought to increase wages and benefits within that system through collective bargaining. During the Depression, there was an upsurge of self-help cooperatives, and after World War II there was a burst of worker cooperative development in the plywood industry of the Pacific Northwest. The plywood cooperatives used a traditional stock cooperative structure which mitigated against their long term survival as cooperatives.

In recent decades there have been two trends in American worker ownership, one minor and one major. The minor trend was the development of worker cooperatives that grew out of the civil rights and antiwar movements of the 1960s. The worker cooperative or collective was the form of business that suited the alternatives movement of the 1970s and 1980s. Many of the worker cooperatives looked more to the Mondragon cooperatives in the Basque country in Spain than to the American past for their inspiration. We will analyze the Mondragon-type worker cooperative in this chapter, not because it has been numerically important in the American economy, but because it represents a relatively pure form of democratic worker ownership.

The major trend in American worker ownership has been the development of the employee stock ownership plans or ESOPs. The ESOP movement offers many lessons about worker ownership, both positive and negative. It is a very interesting case study in the rise of significant worker ownership in the midst of a capitalist economy. Of particular interest are the divergences between the public ideology of the ESOP movement and the reality of the ESOP structure. ESOPs are discussed in the next two chapters.

## **Worker Cooperatives in General**

Existing worker-owned companies will be analyzed by considering the restructuring (or lack of it) for the conventional ownership bundle of rights: (1) the voting rights, (2) the profit or residual rights, and (3) the net asset rights.

All cooperatives have two broad characteristics:

- (1) voting on a one-person/one-vote basis, and
- (2) allocation of the net savings or residual to the members on the basis of their patronage.

*Patronage* is defined differently in different types of cooperatives. For example, in a marketing cooperative patronage is based on the dollar volume bought or sold by the member through the cooperative. A worker cooperative is a cooperative where the members are the people working in the company, and where patronage is based on their labor as measured by hours or by pay. Thus a *worker cooperative* is a company where the membership rights (the voting rights and the profit rights) are assigned to the people working in the company—with the voting always on a one-person/one-vote basis and the profit allocation on the basis of labor patronage.

### **Traditional Worker Stock Cooperatives**

The most controversial feature of cooperative structure is the treatment of the third set of rights, the net asset rights. How do the members recoup the value of retained earnings that adds to the net asset value? Some cooperatives treat the net asset value as “social property” that cannot be recouped by the members (see the section below on common-ownership firms). Other cooperatives used a stock mechanism for the members to recoup their capital. In the United States, the best known examples of these worker stock cooperatives are the plywood cooperatives in Oregon and Washington [see Berman, 1967 and Bellas, 1972].

The plywood cooperatives use one legal instrument, the membership share, to carry both the membership rights (voting and net income rights) *and* the member’s capital rights. A worker must buy a membership share in order to be a member, but the worker only gets one vote even if he or she owns several shares. Moreover, the dividends go only to the members but are based on their labor patronage. In a successful plywood co-op, the value of a membership share could rise considerably. For example, in a recent plywood co-op “offer sheet,” membership shares were offered for \$95,000 with a \$20,000 down payment. New workers often do not have the resources or credit to buy a membership share so they are hired as non-member employees, which recreates the employer–employee relationship between the member and non-member workers.

When the original cohort of founding workers cannot sell their shares upon retirement, the whole cooperative might be sold to a capitalist firm to finance the founders’ retirement. Thus the worker stock cooperatives tend to revert to capitalist firms either slowly (hiring more non-members) or quickly (by sale of the company). Jaroslav Vanek has called them “mule firms” since they tend not to reproduce themselves for another generation.

In a democratic labor-based firm, the membership rights (voting and profit rights) are partitioned away from the net asset or capital rights, and the membership rights become personal rights attached to the workers as workers. A new social invention, the Mondragon-type internal capital accounts, is used to carry the capital rights of the members. The mistake in the stock cooperatives is that they use *one* instrument, the membership share, to carry *both* the membership and capital rights. The new workers who qualify for membership based on their labor nevertheless cannot just be “given” a membership share (carrying the membership rights) since that share *also* carries essentially the capital value accruing to any retiring member.

With the system of internal capital accounts, a new worker can be given membership (after a probationary period such as six months) but his or her account starts off at zero until the standard membership fee is paid in (for example, more like one or two thousand dollars than \$95,000). The firm itself pays out the balances in the capital accounts either in cash or in negotiable debt instruments such as perpetuities or participating debt securities.

Since the workers do not acquire membership based on their labor in these traditional worker stock cooperatives, they are not labor-based democratic firms. They represent a confused combination of capitalist features (membership based on share ownership) and cooperative attributes (one vote per member).

### **Common-Ownership Firms in England**

A labor-based democratic firm is a firm that assigns the membership rights (the voting and residual rights) to the functional role of working in the firm. But there are two different ways to treat the third rights, the right to the net asset value. Some democratic firms treat the net asset value completely as social or common property, while other democratic firms treat it as partially individualized property.

The common-ownership firms in the UK or the former Yugoslavian self-managed firms are examples of worker-managed firms which treat the net asset value as common or social property. These firms do assign the membership rights to the functional role of working in the firm, but deny any individual recoupable claim on the fruits of past labor reinvested in the firm. Most of the worker cooperatives in the United Kingdom today are organized as common-ownership cooperatives.

There are a number of problems with the social property or common-ownership equity structure which can be resolved using the Mondragon-type individual capital accounts. We consider here some of the problems in Western firms with this social property equity structure. The related difficulties in the Yugoslav self-managed firms will be considered later.

The “common-ownership” equity structure has some rather curious ideological support in the United Kingdom. Having a recoupable claim on the net asset value of the company is considered as illicit in some circles. The reason is far from clear. Perhaps the antipathy is to a capital-ist equity structure where the membership rights are treated as “capital.” But then the antipathy should not extend (as it often does) to the Mondragon-type cooperative structure where the membership rights are personal rights attached to the functional role of working in the company.

Perhaps there is a lack of understanding that the only capital-based appreciation on the capital accounts is interest which has always been allowed in cooperatives. The only other allocations to the capital accounts are the labor-based patronage allocations, but those allocations are analogous to depositing a wage bonus in a savings account. A deposited wage bonus increases the balance in the savings account but it is not a return to the capital in the account. An internal capital account is a form of internal debt capital. Apparently there is no general antipathy in common-ownership companies to workers having explicit debt claims on retained cash flows. The largest common-ownership company, the John Lewis Partnership, has “paid out” bonuses in debt notes to be redeemed in the future. The total of the outstanding debt notes for each member would be a simple form of an internal capital account.

The social property equity structure is best suited to small, labor-intensive, service-oriented cooperatives. None of the complications involved in setting up, maintaining, and paying out internal capital accounts arise since there are no such accounts. Since there is no recoupable claim on retained earnings, the incentive is to distribute all net earnings as pay or bonuses, and to finance all investment with external debt. But any lender, no matter how sympathetic otherwise, would be reluctant to lend to a small firm which had no incentive to build up its own equity and whose members had no direct financial stake in the company.

Firms which have converted to a common-ownership structure after becoming well-established (e.g. Scott Bader Commonwealth or the John Lewis Partnership in England) can obtain loans based on their proven earning power, but small startups lack that option. Thus the use of the common property equity structure in small co-ops will unfortunately perpetuate the image of worker cooperatives as “dwarfish,” labor-intensive, under-financed, low-pay marginal firms.

The system of internal capital accounts in Mondragon-type cooperatives is not a panacea for the problems of the worker cooperatives. But it does represent an important lesson in how worker cooperatives can learn from their past experiences to surmount their problems, self-inflicted and otherwise.

## **Mondragon-type Worker Cooperatives**

### *The Mondragon Group of Cooperatives*

The Mondragon worker cooperatives in the Basque region of Northern Spain provide one of the best examples of worker cooperatives in the world today. The first industrial cooperative of the movement was established in 1956 in the town of Mondragon. Today, it is a complex of around 100 industrial cooperatives with more than 20,000 members which includes the largest producers of consumer durables (stoves, refrigerators, and washing machines) in Spain and a broad array of cooperatives producing computerized machine tools, electronic components, and other high technology products. The cooperatives grew out of a technical school started by a Basque priest, Father Jose Arizmendi. Today, the school is a Polytechnical College which awards engineering degrees.

The financial center of the Mondragon movement is the Caja Laboral Popular (CLP), the Bank of the People's Labor. It is a cooperative bank with 180 branch offices in the Basque region of Spain. The worker cooperatives, instead of the individual depositors, are the members of the Caja Laboral Popular. The bank built up a unique Entrepreneurial Division with several hundred professionally trained members. This division has in effect "socialized" the entrepreneurial process so that it works with workers to systematically set up new cooperatives (see Ellerman, 1984a). The division is now split off as a separate cooperative, *Lan Kide Suztaketa* or LKS.

The CLP is one of a number of second-degree or superstructural cooperatives which support the activities of the Mondragon group. There is also:

- *Arizmendi Eskola Politeknikoa*, a technical engineering college which was the outgrowth of the technical school originally set up by Father Arizmendi;
- *Ikerlan*, an advanced applied research institute that develops applications of new technologies for the cooperatives (for example CAD/CAM, robotics, computerized manufacturing process control, and artificial intelligence);
- *Lagun-Aro*, a social service and medical support cooperative serving all the cooperators and their families in the Mondragon group; and
- *Ikasbide*, a postgraduate and professional management training institute.

The whole Mondragon cooperative complex has developed in a little over 30 years. It has pioneered many innovations, including the system of internal capital accounts. A worker's account starts off with the paid-in membership fee, it accrues interest (usually paid out currently), and it receives the labor-based allocation of retained profits and losses. Upon

termination, the balance in a worker's account is paid out over several years. There is also a collective account which receives a portion of retained profits or losses. The collective account is not paid out; it is part of the patrimony received by each generation of workers and passed on to the next generation [for more analysis, see Oakeshott, 1978; Thomas and Logan, 1982; Ellerman, 1984a; Wiener and Oakeshott, 1987; or Whyte and Whyte, 1988].

### *Implementing the Mondragon-type Co-op in America*

A *Mondragon-type worker cooperative* is a labor-based worker cooperative with a system of internal capital accounts. There are several ways to implement this legal structure in the United States. A firm can incorporate under standard business corporation law and then internally restructure as a Mondragon-type worker cooperative using a special set of by-laws [e.g. ICA, 1984].

The key to the by-law restructuring of a standard business corporation as a Mondragon-type worker cooperative is to partition the conventional bundle of ownership rights attached to the shares so that the membership rights can be transformed into personal rights assigned to the workers. Since the net asset rights need to be partitioned off from the membership rights, two instruments are required (unlike the one membership share in the traditional stock cooperatives). Thus either the net asset rights or the membership rights must be removed from the equity shares in the restructured business corporation. The net asset rights are separated off from the shares, and kept track of using another mechanism than share ownership, namely, the internal capital accounts.

After a probationary period (typically six months), an employee must be accepted into membership or let go (the "up or out rule"). If accepted, the worker is issued one and only one share, the "membership share." Membership has obligations as well as rights. Just as a citizen pays taxes, so a member is required to pay in a standard membership fee usually out of payroll deductions. This forms the initial balance in the member's internal capital account. When the member retires or otherwise terminates work in the company, the membership share is forfeited back to the firm. The person's internal account is closed as of the end of that fiscal year, and the closing balance is paid out over a period of years.

The by-laws require that the membership share is not transferable to anyone else. The company issues it upon acceptance into membership, and the company takes it back upon termination. Since the share is not marketable, it has no market value. It functions simply as a value-less *membership certificate*. Having two membership shares would give one no more rights than having two ID cards or two identical passports. One would just be a copy of the other. In this manner, the allocation of the shares is transformed from a property rights

allocation mechanism (whoever buys the shares) to a personal rights allocation mechanism (assigned to the functional role of working in the firm beyond the probationary period).

Since the value has been stripped away from the share-as-membership-certificate, the internal capital accounts are created to take over that function of recording the value to be ultimately paid back to the member. That value balance remains a property right representing the value of the members' paid-in membership fees, the reinvested value of the fruits of their labor, and the accumulated interest. If a member dies, the membership rights (as personal rights) revert to the firm while the balance in the person's capital account would be paid out to the person's estate and heirs.

In America, corporations are chartered by state law, not federal law, so there are fifty state corporate statutes. The cooperative by-laws could be used in a business corporation in any of the states. However, some states have now passed special statutes for Mondragon-type cooperatives using internal capital accounts. The first worker cooperative statute in America explicitly authorizing the Mondragon-type system of internal capital accounts was codrafted by ICA attorney Peter Pitegoff and the author, and was passed in Massachusetts in 1982 [see Ellerman and Pitegoff, 1983]. Since then, mirror statutes have been passed in a number of other states (such as Maine, Connecticut, Vermont, New York, Oregon, and Washington). Similar legislation is being prepared for other states. A British version of the statute has been accepted in Parliament as Table G of the Companies Act.

#### *Risk Diversification and Labor Mobility*

There are two conventional arguments against worker ownership that need to be considered in light of the Mondragon experience. One argument is that worker ownership impedes the birth and death of firms by cutting down on labor mobility. The other argument is that worker ownership forces the workers to bear too much risk since they cannot diversify their capital in a large number of enterprises.

Both arguments tend to assume that the approach to these problems in a capitalist economy is the only approach. For instance, labor mobility—by contracting or closing some firms and starting or expanding others—is not the only mechanism of industrial change. In Mondragon, management planning takes the membership in the firm as a given short-run fixed factor not under the discretionary control of the management [see Ellerman, 1984b]. When a business is failing in its current product line, the response is not to contract the firm by firing workers. The response is to convert the business in a deliberate manner to a more profitable line. The crucial element in the conversion is the socialization of entrepreneurship through the CLP's Empresarial Division-LKS. The Empresarial Division-LKS uses its broad knowledge of alternative product

lines to work with the managers on the conversion. Thus the social function of allowing old product lines to die and promoting new products is carried out in a manner that does not presuppose labor mobility.

The other argument is that, under worker ownership, the workers cannot reduce their risk by diversifying their equity capital holdings. Since a worker typically works in only one job, attaching equity rights to labor allegedly does not allow diversification of risk. All the worker's eggs are in one basket. But there are other ways to address the risk reduction problem, namely the *horizontal association* or grouping of enterprises to pool their business risks. The cooperatives are associated together in a number of regional groups that pool their profits in varying degrees. Instead of a worker diversifying his or her capital in six companies, six companies partially pool their profits in a group or federation and accomplish the same risk-reduction purpose without transferable equity capital.

Suppose that with some form of transferable equity claims a worker in co-op 1 could diversify his or her equity to get (say) 50 per cent of firm 1's average income per worker and then 10 per cent each from firms 2 through 6 to make up his or her annual pay. The alternative is risk-pooling in federations of cooperatives. The six cooperatives group together so that a member gets 40 per cent of average income per worker from his or her firm plus 60 per cent of the average of all the six firms. A co-op 1 worker would receive the same diversified income package as the previous annual pay obtained with transferable equity claims. Thus transferable equity capital is not necessary to obtain risk diversification in the flow of annual worker income.

# Chapter 5: *Employee Stock Ownership Plans*

## **ESOPs: An American Phenomenon**

After a century of unionism in America, only about 15 per cent of the nonagricultural workforce is unionized and that percentage is declining. In only a decade and a half, ESOPs have spread to cover about 10 per cent of the workforce and that percentage is climbing. Clearly something significant is happening.

Employee ownership has so far not become a partisan issue in America or the United Kingdom. Publications favorable to ESOPs in the UK have been recently promoted by the conservative Adam Smith Institute [Taylor, 1988] and by the Fabian Research Unit [McDonald, 1989]. In America, ESOPs draw support from across the relatively narrow political spectrum. While there is strong conservative support for ESOPs, the right wing in America has not been a strong supporter of worker empowerment. That suggests most ESOPs have not been a form of worker empowerment. What then does drive the current ESOP movement in the minds of conservatives and moderates?

One motive cited by conservatives and moderates is the maldistribution of wealth and income. For instance, over half of the personally-held corporate stock is held by the top one per cent of households [with similar statistics holding in the UK, see McDonald 1989, p. 10]. Conventional capitalism is characterized as a “closed-loop financing system”—in other words, the rich get richer and the poor get poorer. New wealth accrues primarily to equity ownership, so until workers get in on equity ownership, they will remain permanently outside the loop. Thus the idea is “Capitalism—Heal Thyself.” ESOPs are the prescription.

The developer of the leveraged ESOP idea, Louis O. Kelso, ESOPs as *democratic* capitalism [see Kelso and Kelso, 1986]. There is much pressure to use the word “democratic” in America. The adjective “democratic” is sometimes used to mean anything that can be spread amongst the common people without discrimination—like the common cold. The wealth redistributive purpose of ESOPs is to give the common people a “piece of the action” and thus to make capitalism more “democratic” in *that* sense.

But other motives seem to have hitched a ride on the redistributive bandwagon. By investing workers with ownership, workers may be weaned away from unions. In fact many of the ESOPs designed as the opposite of workplace democracy would leave workers without any form of collective decision-making and action.

Many ESOPs are set up in small to medium-sized family-owned firms which are seldom a hot-bed of unionism. The founder, or his family, want to cash out at least over a period of years. The traditional route has been to sell to a large firm—which left the loyal employees with an uncertain fate. The alternative of getting tax breaks by selling to the workers through an ESOP is thus motivated by a tax-sweetened paternalism. ESOP consultants sometimes use the pitch, “Here is how you can sell your company and still keep control of it.”

When hostile takeovers are a possibility (as in the USA in the 80’s), large firms turn to ESOPs for rather different reasons. With an ESOP, a sizable block of shares is in friendly hands so a hostile takeover is that much more difficult.

The takeovers seem driven less by real efficiency gains than by the short-term profits obtained by redrafting in the company’s favor all the implicit contracts with the employees, the (non-junk) bondholders, and the local communities. The long-term effects are anti-investment; they work against company investment in employee training or in new product development, against the investment of non-junk long-term capital, and against state and local government investment in infrastructure development for (now outside-controlled) companies.

Some unions have embraced ESOPs, but only after a shotgun marriage. The long-term decline of the unionized steel industry has forced workers to take their fate more and more into their own hands. The success of Weirton Steel, a 100 per cent ESOP buyout from National Steel, has been one of the brightest spots in employee ownership during the 1980’s.

Unions have found common cause with management on using ESOPs as an anti-takeover device. If the company is going to become heavily leveraged to prevent a takeover (e.g. to buy back shares), then the employees might as well be earning shares for themselves as they tighten their belts to pay off the company debt. Recently the unions led the ESOP buyout of United Airlines, one of the largest airlines in the world.

Employee ownership offers American liberals an almost unique opportunity to be pro-worker without being anti-business. We are witnessing the drawing to a close of the era of America’s economic prominence based on the vitality of its market economy and its endowment of unexploited natural resources in the New World. In the finely-tuned competitive environment of today’s international marketplace, American industry can ill-afford the inherent “X-inefficiency” of the firm organized on the basis of the us-vs.-them mentality of the employer–employee relationship [see Leibenstein 1987]. A new cooperative and participative model of the enterprise is needed where the workers are seen as long-term “members” rather than as “employees.” Many forward-looking American liberals and progressives see worker ownership as the natural legal framework for that new model of the enterprise.

There have thus been many reasons for the ESOP phenomenon and for the widespread political support. To further analyze the ESOP contribution, we must turn to a closer description of ESOPs.

### **Worker Capitalist Corporations**

A *worker-capitalist corporation* is a company where the conventional ownership bundle remains as a bundle of property rights, that is, as capital (not partially restructured as personal rights) and those property rights are owned by the employees of the corporation. Instead of directly working for themselves, the workers own the capital that employs them.

In a worker-capitalist firm, the employee might own the shares directly or only own them indirectly through a trust such as an Employee Stock Ownership Plan or ESOP. Before considering these two forms, it should be noted how worker-capitalist firms violate the democratic rule of one vote per person and do not allocate the net income in accordance with labor.

Votes are conventionally attached to shares, and different employees will usually own widely differing numbers of shares (different longevity, pay rates, and so forth). The votes will be as unequal as the share distribution. The voting rights are part of the property rights attached to the shares so it is the shares that vote, not the people. The shareholders don't vote themselves; they vote their shares.

In any capitalist firm, worker-owned or absentee-owned, the net income ultimately accrues to the shareholders either in the form of share dividends or capital gains (increased share value). Both dividends and capital gains are per share so they are proportional to the shareholding of the employees, not their labor during the fiscal year.

Before the development of ESOPs, there were sporadic examples of worker buyouts that established worker capitalist firms where the workers directly owned all or a majority of the shares. When the shares are *directly* owned by some or all of the employees, the employee ownership tends to be a very temporary characteristic of the company—at least in a full-blown market society. If the company succeeds, the share value rises so the workers and their shares are soon parted. The Vermont Asbestos Group and the Mohawk Valley Community Corporation were examples of pre-ESOP worker buyouts in the 1970s. Within three to five years, managers or outsiders had purchased majority control in both companies.

Employee-owned corporations are more stable if the shares are *indirectly* owned through a trust as in the employee stock ownership plans (ESOPs). In an ESOP, each employee has an account which keeps track of the employee's capital. The shares represented in the accounts are

held in the trust so the employees cannot sell them. The employees only receive the shares upon leaving the company or retirement, and even then the company usually buys back the shares to maintain the employee-owned nature of the company.

In a conventional ESOP, the voting and profit rights are distributed to workers—not according to their labor—but according to their capital. The voting is on one per share basis, and workers and managers can own widely differing numbers of shares depending on their pay scale and longevity with the company. The profits accrue to the employee-shareholders either as dividends or as capital gains (realized increase in share price) and both are proportional to the number of shares held, not the labor performed by the worker.

### **Origin of ESOPs**

The original architect of the ESOP was a corporate and investment banking lawyer, Louis Kelso, who has co-authored books entitled *The Capitalist Manifesto*, *How to Turn Eighty Million Workers Into Capitalists on Borrowed Money*, and *Two-Factor Theory*. The conservative but populist aspects of the Kelso plan appealed to Senator Russell Long (son of spread-the-wealth Southern populist, Huey Long), who pushed the original ESOP legislation through Congress and continued to spearhead the ESOP legislation (e.g. the *Tax Reform Act of 1984*) until his retirement from the Senate.

An ESOP is a special type of benefit plan authorized by the Employee Retirement Income Security Act (ERISA) of 1974. As in any employee benefit plan, the employer contributions to an ESOP trust are deductible from taxable corporate income. But, unlike an ordinary pension trust, an ESOP invests most or all of its assets in the employer's stock. This makes an ESOP into a new vehicle for worker ownership but it is not a substitute for a diversified pension plan.

ESOPs have received strong tax preferences so for that reason, if for no other, their growth has been significant. From the beginning in 1974, 10,000 ESOPs sprung up in the United States covering about 10 per cent of the workforce (in comparison, about 15 per cent of the workforce is unionized). There are perhaps 1000 ESOPs holding a majority of the shares in the company. However, only 50–100 of the ESOPs have the democratic and cooperative attributes such as one-person/one-vote as opposed to one-share/one-vote. The overwhelming majority of ESOPs are designed by managers to be controlled by management and the lenders (at least for the duration of the ESOP loan).

The main tax advantage to the company is the ability to deduct the value of shares issued to an ESOP from the taxable corporate income. The *Tax Reform Act of 1984* has increased the tax-favored status of ESOPs for companies, owners, and banks. The taxable income to a bank is the

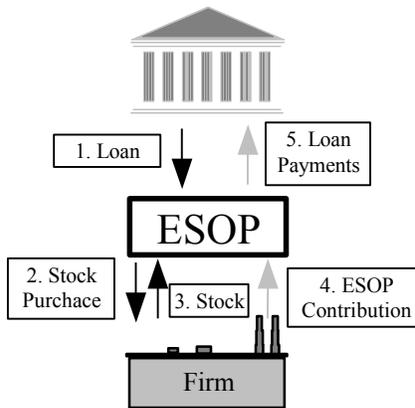
interest paid on a bank loan. On a loan to a leveraged ESOP, 50 per cent of the interest is now tax-free to the bank. Dividends paid out on stock held in an ESOP are deductible from corporate income (similar to an existing tax benefit of cooperatives) whereas dividends in conventional corporations come out of after-tax corporate income. If an owner sells a business to an ESOP (or a worker-owned cooperative) and reinvests the proceeds in the securities of another business within a year, then the tax on the capital gains is deferred until the new securities are sold. These tax breaks have made the ESOP into a highly favored financial instrument.

Due to the strong tax preferences to the firms as well as to lenders, most large-sized worker-owned companies in the United States are organized as ESOPs. However, the transaction costs involved in setting up and administering an ESOP are large, so the cooperative form is often used for smaller worker-owned enterprises. The ESOP structure allows for partial employee ownership—whereas a cooperative tends to be an all-or-nothing affair. Indeed, most ESOPs are hybrid companies which combine employee with absentee ownership. The average ESOP company has less than 20 per cent employee ownership [for a review of the ESOP literature and research, see Blasi, 1988].

### **Structure of ESOP Transactions**

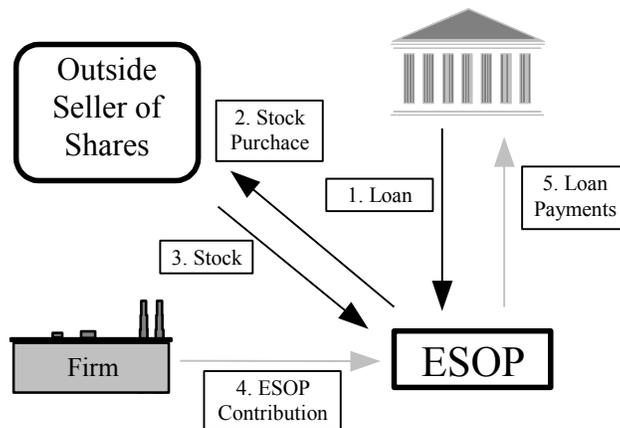
In the leveraged ESOP transaction, the corporate employer adopts an employee stock ownership plan (ESOP) which includes a trust as a separate legal entity formed to hold employer stock. The ESOP borrows money from a bank or other lender (step 1 in diagram below), and uses that money to purchase some or all of the employer stock at fair market value (steps 2 and 3). The loan proceeds thus pass through the trust to the employer, and the stock is held in the trust. Ordinarily, the company guarantees repayment of the loan by the ESOP and the stock in the trust is pledged to guarantee the loan.

Over time, the employer makes contributions of cash to the ESOP in amounts needed to repay the principal and interest of the bank loan (step 4) and the trust passes the payments through to the bank (step 5). Thus, the employer pays off the loan gradually by repayments to the lender through the ESOP—payments that are deductible from taxable income as deferred labor compensation. This deduction of both interest and principal payments represents a significant tax advantage since the employer ordinarily can deduct only the interest payments. The implicit cost of the tax break to the original shareholders is the dilution of their shares represented by the employee shares in the ESOP.



A Standard Leveraged ESOP

An ESOP can also be used to partially or wholly buy out a company from a private or public owner. This is called the “leveraged *buyout* transaction.” Taking the previous owner as the government, the ESOP borrows money (step 1 in diagram below) and the loan payments are guaranteed by the firm with the purchased shares as collateral. The shares are then purchased from the outside owner, such as the government, with the loan proceeds (steps 2 and 3)—instead of buying newly issued shares from the company.



Leveraged Worker Buy-Out from Outside Seller

Again the firm makes ESOP contributions which are passed through to pay off the loan (steps 4 and 5). A variation on this plan is for the seller to supply all or some of the credit. By combining the functions of the bank and government in the above diagram, we have the “pure credit” leveraged buyout transaction.

## **Two Examples of ESOPs**

One of the best-known world-wide companies that is employee-owned through an ESOP is the Avis car rental company. After going through five different corporate owners in eleven years, Avis was sold to an ESOP in 1987 for a little less than \$2 billion dollars. Avis has added involvement to the bare bones of ownership with its employee participation group system. Before the buyout, Avis used the advertising slogan "We try harder"; after the buyout the slogan was "Owners try harder." After the buyout, profits increased from \$16 million to \$79 million in the first year and to \$93 million in the following year.

Today the biggest ESOP in America is also a well-known world-wide company, United Airlines. In 1993, two out of the three unions and the non-union employees agreed to a plan to reduce wages and benefits in the amount of about \$5 billion dollars over the next five to six years. In exchange, an ESOP would receive at least 55% of the shares with the remainder being still publicly traded. The workers' 55% of the shares were purchased with money from a package of loans to be paid off over the next six years. United, like Avis, uses employee ownership as a force in its advertising program. In America, the low morale of employees in conventional companies is sometimes expressed in the phrase "We just work here." United started its pride of ownership campaign with pictures of employee-owners saying "We don't just work here."

# Chapter 6: *Model of a Hybrid Democratic Firm*

## **Introduction: A Model for Transplanting**

ESOPs and worker cooperatives have evolved in idiosyncratic ways in the United States and elsewhere. How can the “core” of these legal structures be introduced in rather different legal environments elsewhere in the West—not to mention in the transitional economies? For instance, worker cooperatives have always been limited because they are all-or-nothing affairs. There is no intermediate stage that allows a company to ramp up to 100 per cent worker ownership over a period of years. This chapter presents a hybrid form of the Mondragon-type worker cooperative.

ESOPs do allow for that partial or hybrid intermediate structure. But the American ESOPs require an external trust in addition to the corporation. How can the ESOP structure be applied in non-Anglo-Saxon countries which have little or no trust law? This chapter presents the idea of an “internal ESOP” which captures the basic ideas of the leveraged ESOP transaction with *no* external trust.

The resulting models of a hybridized Mondragon-type worker cooperative and an internalized democratic ESOP turn out to be essentially the same—so *that* is the model of the *hybrid democratic firm* presented here.

## **A Hybrid Mondragon-type Worker Cooperative**

The worker-owned cooperative has historically been an all-or-nothing creature. It tends to assume a workforce that already understands and appreciates the rights and responsibilities of democratic worker ownership. A more practical compromise is a hybrid structure that can initially accommodate less than 100 per cent or even minority worker ownership—but where that portion of worker ownership is organized on a democratic cooperative basis.

A *hybridized* Mondragon-type worker cooperative is a corporation where a certain percentage of the ownership rights is organized as a Mondragon-type worker cooperative, that is, with voting by an agreed-upon rule (e.g., equal or according to salary) to determine total vote of workers’ shares and with workers’ residual allocated among them according to labor (as measured, for instance, by salary).

## **An Internalized Democratic ESOP**

The democratic ESOP is already a hybrid structure for democratic worker ownership. Any percentage of the ownership could be in the ESOP, and that portion can be organized on a cooperative basis. However, the ESOP has evolved in an idiosyncratic way depending on the peculiarities of American law and the political process. In designing a new institutional form, it is best to think through the real function served by all the ESOP trust apparatus and then implement a streamlined version accomplishing the desired ends.

In particular, an external trust is a somewhat peculiar mechanism for *worker* ownership. The workers are, in fact, inside the firm. But an external ESOP trust is set up with the workers as beneficiaries. Then the firm issues external shares to be held by the trust. By this circuitous route, the workers have the ownership rights in their enterprise.

The external ESOP trust evolved in American law from a pension trust designed to hold shares in *other* companies. There is little need for the trust to be external if its primary purpose is to register ownership in the company itself. Corporate law could be modified or new corporate law drafted to, in effect, move the ESOP inside the corporation itself. The whole circuitous loop of worker ownership through an external democratic ESOP could be simplified and streamlined by moving the ESOP inside the corporation.

In America, starting and administering an ESOP requires an army of lawyers, financial analysts, valuation experts, and accountants all resulting in sizable transaction costs. Indeed, a whole industry has developed for the “care and feeding” of ESOPs. Less of this would be necessary if the ESOP structure was internal to the structure of the corporation.

An *internalized* democratic ESOP is a corporation where a certain percentage of the ownership rights is organized as a “democratic ESOP” within the company.

## **The Hybrid Democratic Firm**

The interesting result is that a hybridized Mondragon-type worker cooperative is essentially the *same* as an internalized democratic ESOP—and *that* is the structure we are proposing as a hybrid partial worker-owned democratic firm—which, for short, will be called a *hybrid democratic firm*.

Many useful ideas can be suggested by using the two ways of conceptually deriving the structure of a hybridized democratic firm (as a hybridized co-op or an internalized ESOP). However, we will initially describe the structure in general terms.

The equity of the hybrid firm is divided into two parts:

- (1) the *workers' portion of the equity* which is the “inside ownership” and
- (2) the *external portion of the equity* owned by outside parties such as organs of government, intermediate institutions, or private parties.

In a transitional economy, the external ownership might be public, that is, by the state, city, county, township, or village government.

There are two limiting cases: 0 per cent and 100 per cent inside ownership. With 0 per cent inside ownership, the firm would be a conventional corporation owned by public or private parties. With 100 per cent internal ownership, the firm would be a (non-hybridized) Mondragon-type worker cooperative which could also be seen as a 100 per cent democratic ESOP (i.e. an ESOP with 100 per cent of the ownership) internalized to the company.

In an American corporation, there is a difference between shares that are *authorized* and shares that have been issued to become *outstanding*. A certain number of shares (assume all common voting shares) are authorized in the original corporate charter. Some of these shares are then issued to shareholders in return for their paid-in capital so those shares are then outstanding. If a company bought back or redeemed any shares, those shares would not be outstanding and would be retired to the company treasury until re-issued. Only the shares that are issued and outstanding can vote or receive dividends. The authorized but unissued or redeemed shares can neither vote, receive dividends, nor reflect any net worth.

In what follows, we assume the hybrid firm is organized as a corporation with common voting shares—although a simpler structure might also be used to implement the ideas. In a hybrid democratic corporation with shares, the inside ownership is *a new category of issued and outstanding shares*; it is not unissued or treasury stock. The workers' stock is issued and outstanding but held in the firm for the inside owners, the workers. Each worker does not own a certain number of shares since the workers' portion of the company is to be organized in a labor-based democratic fashion. The worker *shares* are held collectively and are unmarketable. The workers vote on an agreed-upon basis as to how the collectivity of the worker shares will be voted. The workers would elect a number of representatives to the board of directors proportional to the workers' portion of the equity (e.g. one third of the directors for one third of the equity). The worker representatives on the board would form a natural subcommittee to control the shares in the workers' portion of the equity in analogy with an ESOP governing committee in the American external ESOP.

Some shares have a par or face value that is the value for which the shares were originally issued, but that value has no significance later on. Often shares are no-par shares with no par or face value; they simply have some original issued value. After a company has been in operation,

the shares will have a book value (net book value divided by the number of common shares). If the shares are marketable, they will also have a market value. The book and market values are in general different from the face or issued values of the shares. The relevant valuation of the worker shares in a democratic firm is their net asset value or “economic book value”.

Assets	Liabilities
Cash	External Debt
Inventory	External Equity
Equipment	Internal ESOP:
Real Estate	Individual Capital Accounts
	Suspense Account
	Collective Account
	minus Loan Balance Account

#### Hybrid Democratic Firm's Balance Sheet

The total book value of the worker shares is divided between several types of internal capital accounts in the internal ESOP:

- (1) each worker has a value-denominated *individual capital account* which would contain a certain amount of value (not a certain number of shares);
- (2) there is a *suspense account* which serves as a temporary collective account or “holding pen” for value to be eventually allocated to individual accounts;
- (3) a permanent *collective account*, and
- (4) there would also be a (debit-balance) *loan balance account* which could be treated as a contra-account to the collective account.

Company law could be redrafted so that the *workers' portion* of the equity was a *normal part of any corporation*. A company typically runs several accounts such as total year-to-date wages or accrued vacation time. A worker’s internal capital account would be another account maintained for each person in the company.

Each worker could have a membership certificate, but it would be quite different from a share certificate. The number of shares in the total workers’ portion might grow over time, but each worker only needs one membership certificate to signify membership. Each year, the workers would receive Capital Account Statements showing the transactions in their accounts due to the year’s operations and the resulting ending balances.

Some details can be best illustrated by considering a concrete example. Consider a hybrid democratic firm where one-third of the ownership is inside or workers' ownership. There could be, say, 960 shares issued and outstanding with 33 per cent or 320 shares held in the firm as worker shares. In a corporate election of (say) board members, there are 960 share-votes, 320 of which are controlled by the workers. The workers vote on a democratic basis as to how their 320 share votes should be cast.

A new worker might pay in a standard membership fee through payroll deductions. Shares with book value equal to the membership fee would be issued by the company to the total workers' portion of the equity, and that value would be credited to the new worker's individual capital account.

The workers' portion of the ownership would be exercised in not only a democratic but a labor-based manner. Workers would receive wages and salaries as usual, and then 33 per cent of the profits would be allocated among the workers according to their labor—after interest is paid on the capital accounts.

Profits will accrue to the workers in two ways. A firm-wide decision might be made for some of the profits to be paid out in dividends on the shares. Then, in the example, 33 per cent of the dividends would go to the workers collectively to be divided between them according to their labor (measured by salary or by hours). The dividends could be paid out in cash, or they could be added to the capital accounts and then used to pay out the oldest account entries according to the rollover plan. The remainder of the profits (not declared as dividends) would be retained so they would increase the net book value per share. The shares in the workers' portion are valued at book value. Hence 33 per cent of the retained profit (= increase in net book value) would accrue to the workers' individual accounts.

The allocation formula between worker accounts depends on whether the individual capital accounts bear interest or not. Accounting is simpler if interest is ignored, but interest is the only compensation proportional to the larger risk borne by large account holders (older workers). The interest comes out of the workers' retained profit. The interest should be added to each account with the remainder of the workers' retained profit (their one-third)—which could now be negative—allocated between the accounts according to labor. If there are little or no profits, the interest is still added to the workers' accounts and the correspondingly more negative retained profits (i.e. greater losses) are allocated between the accounts according to labor.

It should be remembered that the workers do not have any individual ownership of shares; only the book value is represented in their individual capital accounts. In the hybrid firm, the shares still package together the three main rights in the ownership bundle (voting, profit, and net

asset rights). But the workers' portion of the ownership is organized in a labor-based democratic manner so the voting and profit rights (carried by the shares in the workers' portion) are split off and assigned as personal rights to the workers' role, while the book value of the worker shares is allocated between the capital accounts (individual, suspense, and collective accounts).

A worker's account would be paid out in the regular rollover payouts (assuming the rollover plan is used) with the remainder paid out after termination or retirement. There are several ways to consider the payouts on the capital accounts when the firm is a hybrid instead of 100 per cent worker-owned. If a cash payout, in accordance with the rollover plan or upon termination, is from general funds of the company (and there is no proportional payout to the external shareholders), then worker shares with book value equal to the payout should be retired to the company treasury. Alternatively, if there was a cash dividend on all shares, then the worker portion of the dividend could be credited to the accounts according to current labor and then used to rollover the oldest account entries or to pay out terminated accounts. In that case, there would be no need to retire an equal amount of shares since the external shareholders received their proportional part of the dividend payout.

### **The ESOP Transactions with an Internal ESOP**

#### *The "Leveraged ESOP" Transaction*

Consider a hybrid firm that starts off entirely or almost entirely government owned. Then a loan is channeled through the workers' portion of the equity as an "internal ESOP" in order to increase the workers' share of the company.

Let us suppose \$300,000 is borrowed by the firm from a bank. There were previously 660 shares, 640 held by the government, 20 held by the workers, and the share book value was \$1,000 each. With the loan channeled through the workers' portion of the equity, 300 (=  $300,000/1,000$ ) new shares are issued to the workers' portion of the ownership so the workers then have 320/960 or 33 per cent of the ownership. However, the share value is allocated to the suspense account.

Each loan payment is divided into a principal and interest portion. In many countries such as the United States, the interest portion is already an expense deductible from taxable corporate income. The principal portion is to be treated as a labor expense so that it would also be deductible as an expense from taxable corporate income. This procedure would need to be approved by the relevant tax authorities—as it has been approved in the United States.

A value amount equal to the principal payment is allocated from the suspense account to the individual accounts to be divided between them in accordance with labor. It is *as if* each

principal payment is paid out to the workers as a bonus and then immediately reinvested in worker equity, and the money is then paid to the bank as the principal payment. In this manner, the hybrid firm internally mimics the leveraged ESOP transaction.

It should be remembered that changes in the worker accounts resulting from retained profits or losses are also taking place at the end of the fiscal year in addition to the credits relating to the principal payments. Those year-end profits or losses of the firm are computed with the principal payments treated as a labor expense.

When the loan is paid off, the principal amount of the loan will have been allocated between the individual accounts. The financial reward to the whole company for channeling the loan through the “internal ESOP,” the workers’ portion of ownership, is that the principal payments on the loan were deducted from taxable income. The increased worker ownership should also reap other rewards through the greater motivation and productivity of the workers.

#### *The “Leveraged ESOP” Buyout Transaction*

In the previously described leveraged internal ESOP transactions, the loan money went to the company, and the worker shares were newly issued and valued at book value. An alternative leveraged transaction is to use the loan proceeds to buy externally held shares for the workers’ portion of the ownership.

The bank or financial institution loans money to the company. The cash is passed through the company and used to buy back externally held shares from the government authority or other party holding the shares. However, instead of interpreting this as a share redemption (which would retire the shares to the corporate treasury), it is viewed as the workers collectively buying the shares from the external owners. Hence those shares enter the workers’ portion of the ownership instead of the corporate treasury, and the workers would determine how those share votes are to be cast.

#### **The Simplified Internal ESOP**

It is also possible to have a simplified internal ESOP which removes some of the complications in favor of a minimal structure. The simplified internal ESOP is more appropriate for companies with all or substantially all of the ownership in the ESOP so that there is little point to differentiate between a loan channeled through the ESOP and a direct loan to the company. That allows considerable simplification in the ESOP structure. The suspense account, the loan-balance account, and the notion of special ESOP contribution (as opposed to an ordinary loan payment) can be eliminated.

What is left? With no special tax breaks (the typical situation when an “ESOP” is implemented on a firm-by-firm basis in a country with joint stock company law) and no special notion of an ESOP loan, what is left of the original ESOP idea? The basic idea of a manager/employee leveraged buyout is still there; indeed the insiders have substantially all the ownership. The trust aspect is also still there. The employee shares may not be freely sold, and the company will supply the market for repurchasing the shares. Thus the ownership is controlled as in a shareholders’ agreement in a closely-held company. In particular, it is controlled in order to maintain the correlation between ownership and working in the company.

Since there is no distribution of shares from the suspense account into the individual share accounts (there being no suspense account), all the more emphasis is put on the employees’ initial purchase of shares. The ESOP would impose a maximum number of shares that could be purchased by each employee where the maximum was proportional to salary (that is, a certain number of shares for each \$100 of monthly salary). The ESOP might also impose a minimum purchase specified as so many month’s salaries. Employees who would not make the minimum purchase (even when offered installment payments out of salary) could either be terminated (hard version) or left unprotected when layoffs have to be made (soft version). Some distinction is usually necessary between existing employees at the time of buyout and new hires. The existing employees might be “grandfathered” into the ESOP while the minimum purchase of shares is made a condition of employment for new employees.

In the full featured internal ESOP, the periodic repurchase or rollover plan is designed to smooth out the liability to repurchase older worker shares instead of allowing it to build up and be triggered by termination or retirement. When the shares are repurchased with ESOP contributions in the periodic repurchase plan, the shares are redistributed to the current employees. But in the simplified ESOP, employees only get shares by purchasing them. There is no automatic redistribution of repurchased shares.

In the simplified ESOP, the functional equivalent of the periodic repurchase plan can be obtained by an appropriate dividend policy. There is little or no leakage of dividends to non-employees since we have assumed that all or substantially all the ownership is in the ESOP. Shares will only be repurchased upon termination or retirement but the dividends will keep share value down. The equivalent of the (say) five year wait for shares to be repurchased under the periodic repurchase plan could be obtained by declaring dividends in five year notes.

### **Implementation Questions**

How can the hybrid democratic firm be implemented? There are questions involving both corporate structure and tax benefits. The corporate structure of the hybrid democratic firm

should at best be implemented by additions to existing corporate statutes authorizing the creation of the "workers' portion" of the equity of a company. Legislation should be preceded by experimentation. The structure could be experimentally implemented (without legislation) in an enterprise by appropriately drafting the charter and by-laws of the enterprise and obtaining the agreement of the present owners and the Workers' Assembly. These could be developed as simple amendments to existing charters and by-laws to add the workers' portion of equity onto an existing joint stock company. After the development of a model seasoned by experience in a particular country, appropriate legislation can be drafted and passed.

The tax benefits of the "internal ESOP" transactions would require authorization from the tax authorities. This requires both allowing the principal payments on loans channeled through the workers' portion of equity to be deducted as labor expenses and deferring any personal income tax incidence for the workers until the capital accounts are paid out.

There are reasonable arguments for both tax benefits as well as the strong American precedent. It is as if the principal payment was paid out as a deductible labor bonus and then immediately rolled over into equity shares in the company (the equity injection then being used to pay off the loan). Or one could think of the company as making the principal payment directly to the bank and simultaneously issuing an equal (book value) amount of shares to the workers' portion of the equity as a deductible stock bonus. In either case, it should be a deductible labor expense to the firm. The workers have no increase in their disposable income so it is reasonable to defer personal taxation until the capital accounts are paid out.

ESOPs use American trust law. Trust law tends to be quite different, idiosyncratic, or non-existent in other countries. Rather than have the costly and bulky apparatus of the external ESOP trust as in current American law, the internal or workers' portion of the equity should be a *normal part of every company*—with the workers' percentage of ownership varying from the beginning of 0 percent up to 100 percent. Alternatively, a country could draft laws to create the machinery of trusts and then the machinery for the external ESOP trust.

Whether or not an external trust is used, it is key that the ESOP hold the shares in trust so that the workers cannot individually sell the shares. Each worker would like to have the benefits of working in a democratic firm and also have the cash from selling his or her shares (assuming everyone else does not do the same). But if everyone did likewise, the firm would no longer be a democratic firm. Hence there needs to be a collective decision to structure a firm in a democratic fashion, and thereafter individuals cannot sell their shares and remain in the company—any more than citizens can sell their voting rights.

## Management and Governance Structures

We turn now to some structural aspects of management (top-down use of delegated authority) and governance (bottom-up delegation of authority) in a democratic firm (hybrid or 100 per cent).

The usual governance structure in a corporation is for the shareholders to elect the board of directors, and then for the board to appoint the general manager and possibly other members of the top management team. Top management then appoints the middle managers who, in turn, select the low-level managers or foremen at the shop floor level. In a hybrid democratic firm, the workers should elect a portion of the board at least equal to their portion of the ownership.

Even in a majority or 100 per cent worker-owned company, it is not appropriate for workers to directly elect shopfloor managers. Those managers would then be in an intolerable position between middle management and the workers. They would have to “serve two masters”—to carry out the orders and management plans from above while at the same time being answerable to the workers who elect them.

Worker-owners also should not have the right to countermand management orders at the shopfloor level (except in the case of direct physical endangerment). There must be channels for workers to use to register their complaints. These could take two forms: (1) *disagreements* over policy questions or (2) *grievances* against managers or other workers for allegedly breaking enterprise rules.

For the workers to intelligently use their ultimate control rights (e.g. votes to elect representatives to the board or to vote on other issues put to the shareholders), they must have a flow of *information* about the company operations. In particular, worker representatives need timely information in order to have an input in management decisions. There should be a number of forums where information can be communicated, questions can be asked of management, and disagreements can be expressed.

There is the *annual meeting* of the Workers’ Assembly but that can only deal with the larger issues of overall policy. There should be frequent *shop meetings* (weekly, bi-weekly, or at least monthly). It is important that at least part of each meeting is not chaired by the shop foreman or any other representative of management. There should be another non-managerial elected shop or office representative such as a “shop steward.” In part of the shop meetings, the shop steward should preside, disagreements should be voiced in a respectful manner (perhaps by the steward) without fear of recriminations, and the shop managers should have to explain actions and decisions which are called into question.

Another forum for communication and discussions could be the *company newsletter* or newspaper. Ordinarily, this would be controlled by management. But there should be a column given over to the shop stewards who collectively want to bring an issue before the company as a whole. There could also be letters to the editor, questions to managers with their answers, and brief interviews with randomly selected workers on the topics of current interest.

There should also be a *grievance procedure* for workers who feel they have been wronged by managers in terms of the company rules, regulations, and policies. The shop steward would function as the spokesperson for the worker with the grievance (who may otherwise be intimidated by the whole procedure). The political doctrine of “separation of powers” argues that abuses of power are best held in check if there is some separation of powers and authority between the different branches of government such as the legislative, executive, and judicial branches. The board of directors is the legislative branch and the management team is the executive branch in a company. A separate judicial branch would be an elected grievance committee that would function as the court of last appeal in the grievance procedure. However, since the grievance committee would be elected by the shareholders, the board of directors could also play that role as the court of last appeal. That would involve some loss in the separation of powers, but it is hard to imagine a grievance committee having much autonomy if the board and management are already in agreement on an issue. If the workers were convinced that major injustices or abuses had occurred with the concurrence of their board representatives and if the workers could not wait until the annual meeting of the Workers’ Assembly, then they should use a recall procedure to change their representatives on the board of directors.

One general principle in any democratic organization is that those who are not in direct positions of power should have the organizational ability to voice and discuss their concerns. This is the idea of the “*loyal opposition*” (see Ellerman, 1988b discussing the inside role of a union as the loyal opposition in a democratic firm). “Opposition” is not always the right word since the idea is not to always oppose current management but to have enough *independence* so that opposition could be voiced whenever deemed necessary. That, for example, is why there should be some worker-elected representatives, herein called “shop stewards,” who are not part of management’s line of command, and that is why the shop stewards should chair at least part of the shop meetings. The need for some such loyal oppositional structure is obvious when workers only have a minority ownership position in a hybrid firm, but it is also needed when workers have majority or 100 per cent of the ownership. Periodic election of directors is often insufficient to keep management accountable so the watchdog role of the oppositional structure is still needed in the majority worker-owned company.

The American ESOP is a separate external trust with its own governing committee. It sometimes has its own decisions to make—independent of company decisions. For example, the ESOP might accumulate contributed funds and use them to buy back the shares of departing workers. In the simplified hybrid structure recommended here, the ESOP is internalized as part of the company so there is no separate trust with its governing committee. Nevertheless, there will be some “ESOP decisions” that are decisions of the collectivity of workers, not decisions of the board or management of the hybrid firm. The suggested structure is that the worker representatives on the board form the subcommittee to function as the “*internal ESOP governing committee*.” They would decide, for example, whether dividends would be passed through to current workers, or whether the accounts would be credited and the cash paid out to rollover the oldest account entries.

An important program in a hybrid democratic firm is the *internal education program* [see Adams and Hansen, 1987]. The whole idea of being part of a democratic decision-making organization might be new to the workers. The workers might be accustomed to taking orders from an authority figure. The workers have stepped out of their subordinate “employee” role to become worker-owners in a horizontally interdependent organization. They have a whole new set of rights, responsibilities, and concerns. They need to develop skills for discussion and participation in meetings, to learn something about the business side of the enterprise, and to read simplified financial statements and capital account summaries.

Responsibility should be pushed down to the lowest feasible level through worker *participation and quality-of-working-life (QWL) programs*. Worker ownership creates the possibility of substantial increases in motivation and productivity, but it is not automatic. Ownership must be realized at the shopfloor level through worker participation in order to deliver the maximum effect on productivity.

# Chapter 7: *Self-Management in Former Yugoslavia*

## **Introduction**

The Western press and many Western scholars look at the world in bipolar terms: capitalism or (state) socialism. State ownership and central planning have failed to deliver a modern economy so “socialism” is being abandoned in favor of capitalism. But the reality is more complicated. There are many “socialisms” and there are many “capitalisms.” If “capitalism” means a decentralized economy of independent firms with definite property rights and interrelated by input and output markets, then that also fits certain types of “socialism.”

There are two broad traditions of socialism: *state socialism* and *self-management socialism*. State socialism is based on government ownership of major industry, while self-management socialism envisions the decentralized firms being worker self-managed and not owned or managed by the government [see Horvat *et al.*, 1975].

It is a thesis of this book that an economic democracy, a market economy of democratic firms, represents a common ground for the East and West. There are forces of convergence towards that common ground from both sides. An economic democracy could be seen as the humanization and democratization of a market economy where the renting of workers is universally replaced by democratic membership in the firm. An economic democracy can also be represented as the result of decentralizing and democratizing a state socialist economy in favor of a market economy of self-managing firms.

## **Yugoslavian Self-Management: Pitfalls of a Pioneer**

The current economic reforms in the transitional economies actually began with Yugoslavia (see Sacks, 1983; Estrin, 1983; or Prasnikar and Prasnikar, 1986) which from the 1950s moved from the state socialist model towards a model of self-management socialism.

The only genuinely new model—i.e. different from the various versions of the basic Soviet-type model—already in existence, is the Yugoslav model. [Nuti, 1988, p. 357]

Being a pioneer is not all glory; the pioneer may stumble many times like one who walks at night holding the lantern behind him—of no help to himself but illuminating the path for those who follow.

In the former Yugoslavia, there was no centralized command planning over production. The enterprises were embedded in factor and output markets. The workers in each enterprise elected the workers' council which, in turn, through a committee structure selected the enterprise director. Legally, the director is responsible to the workers' council and the collectivity of workers, but there were strong indirect influences from the League of Communists (the party) and/or the various levels of government. The assets of the enterprise were considered to be "social property." Even though the assets may have been built up by retained earnings (that could have been paid out as pay bonuses), the enterprise only had use rights over the assets and the workers have no individualized claim against the company for the value of those assets.

In the Yugoslav self-managed firm, the two membership rights, the control rights and the net income rights, were at least partially assigned as personal rights to the workers in the firm. The assignment of the control rights to the working collectivity of the firm was attenuated by the hegemony of the League of Communists in the surrounding social structure, e.g. in the local government. The assignment of the net income to the workers was also attenuated since the income that accrued to the workers was a function of the disposition of the income. If the income was paid out in wages and bonuses then it accrued to the workers. If, however, the income was retained in the firm, then it reverted to "social property" and the workers lost any recoupable claim on it.

The weakness in the net income rights can be traced to the treatment of the third right in the traditional ownership bundle, the rights to the value of the net assets of the firm. That right was treated as disembodied "social property." The problems in the former Yugoslav economy, of course, could not be traced to any one source. But surely one of the most important sources of malfunction was this social property equity structure which had broad ramifications for efficiency and motivation throughout the economy.

If retained earnings become social or common property, the workers had less of a long-term interest in the company. Reinvestment of earnings to buy a machine might not penalize younger or middle-aged workers who would be around to depreciate the machine. But an older worker near retirement or a worker thinking about leaving the firm would be simply losing what could otherwise be a pay bonus. Since the different responses are due to different time horizons with the firm, the original property rights deficiency is called the "*horizon problem*" of the Yugoslav firms [see Furubotn and Pejovich 1970, 1974; Ellerman, 1986b; or Bonin and Putterman, 1987].

It might be noted parenthetically that there is a whole academic literature on what is called the “Illyrian firm” [see Ward 1967; or Vanek, 1970] named after the Roman province that became part of Yugoslavia. The main peculiarity of this model is that it assumes the firm would expel members when that would increase the net income of the surviving members. The resulting short-run perversities have endeared the model to capitalist economists. Yet the Illyrian model has been an academic toy in the grand tradition of much of modern economics. The predicted short-run behavior had not been observed in Yugoslavia or elsewhere, and worker-managed firms such as the Mondragon cooperatives take membership as a short-run fixed factor [see Ellerman, 1984b]. Moreover, in spite of intensive academic cultivation in the Illyrian field for almost two decades, not a single practical recommendation has emerged for the structure of real world labor-managed firms—other than “Don’t start acting like the Illyrian model.” Hence we will continue to treat the Illyrian model with its much-deserved neglect.

The valuable analysis of the property rights deficiencies in the “social property” structure of many labor-managed firms is often packaged together with the perversities of the Illyrian model in academic literature. Yet the two are quite independent. Property rights problems arise with labor taken as a fixed factor and for a wide range of firm objectives. Unlike the Illyrian model, the academic analysis of the property rights problem in labor-managed firms is an important contribution to the theory and practice of workers’ self-management.

With social property, the incentive is to distribute all net earnings as pay (wages and bonuses) and to finance all investment with external debt. The resulting consumer demand and the upward push on money supply to satisfy the demand for loans will both fuel inflation—which had become a serious problem in the former Yugoslavia.

The social property structure also creates an unnecessary bias against bringing in new workers. Economic necessity as well as government regulation in the case of Yugoslavia would lead social property firms to retain some earnings to finance investment in firm assets (in spite of the pressure to finance all investment by borrowing). One way the workers could try to recoup “their investment” was through higher wages—which, in part, were an implicit rent on the new assets. Any new workers would receive the same “wage” for the same work but would not have contributed to that investment. Allowing new workers in would be forcing the old workers to share the rent on their implicit equity. Thus the social property structure led to a bias against new workers—who often had to find jobs as “guest workers” in Northern Europe. With the system of internal capital accounts, the old workers receive the rent or interest on their explicit account balance, that rent is not shared with new workers, and thus that forced-rent-sharing bias against new workers is removed. The problems with social property equity structure can be solved using the Mondragon-type individual capital accounts.

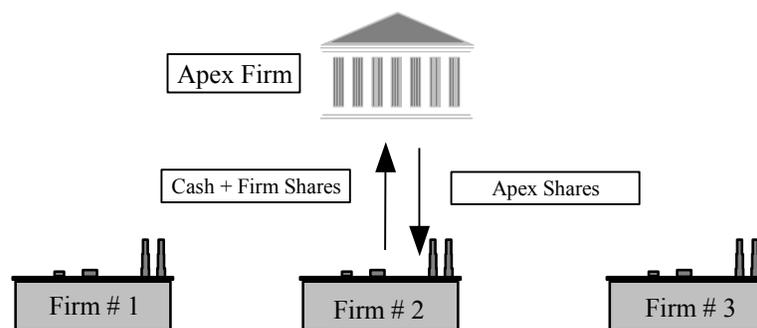
## A Decentralizing Model for Restructuring Large Firms

The restructuring of ownership should be accompanied by splitting up and decentralizing the huge firms so as to reduce socialist gigantism at one end of the scale and to fill the need for small and medium-sized firm at the other end at the other end of the scale. The resulting worker-owned firms should be medium-sized or small businesses that are human-scaled, more competitive, and perhaps even entrepreneurial. They will be joined together as in a keiretsu or as in Mondragon in a federation to keep some of the benefits of acting together.

We will sketch a restructuring model might be used in transitional countries. The details might change with implementation since the actual legal constraints on restructuring will only be discovered as the restructuring takes place.

The restructuring can be divided into steps:

- (1) The workers and managers in the original socialist firm are divided into divisions perhaps with some remaining in a central unit.
- (2) The people in each division, as independent citizens, set up joint stock companies with each person making a small but mandatory contribution of cash.
- (3) The same people in the Workers' Assembly of the original socialist firm then vote to convert the firm into a joint stock "apex" company and to issue its stock to the various companies set up by the divisional members in return for some of their cash. The value of the original assets is balanced by the collective equity account, so the value of the original assets would not determine the issuing value of the new stock. The stock could be issued—as with a new company—for an arbitrarily set cash price. Each of the smaller divisional firms might own a part of the new apex company in proportion to the number of workers in the divisional firm. Some of the shares in the apex firm might be retained as worker shares for the people who remain in the original firm.



Separate Worker-owned Divisional Firms

- (4) The separate divisional firms and the remaining parent firm join together in a federation with the parent firm as the apex organization performing appropriate functions such as strategic planning, marketing for the group, import-export for the group, and settling conflicts between the divisional firms. The money paid back to the apex firm would allow it to also act as a development bank for the group.
- (5) Then each of the divisional firms buys in an ESOP-type credit transaction the assets it needs for its operations from the apex firm. The apex firm might also obtain some of the preferred (profit-sharing) or common shares in the divisional firms in exchange for the assets.
- (6) The operations of the divisions is switched over to the separate democratic worker-owned companies.

# Chapter 8: *Employee Sovereignty in the Japanese Model*

## **The Hegemony of the American Model**

Almost all the discussion of economic reform in the transitional economies has been dominated by the American (or Anglo-American) model. The Anglo-American corporate structure is presented by Western advisors and multilateral organizations as if it was the only model. It is presented as “the” joint-stock company; anything else is viewed as an immature example that will eventually evolve into the “modern” and “fully developed” model.

One problem with this exclusive focus on “the American model” is that there is a major divergence between the reality in the large American corporations and the model. The greatest and most significant divergence is the separation of ownership and control analyzed by Adolf Berle and Gardner Means in the first third of the 20th century [1932, 1967]. The large corporations with publicly traded shares (sometimes called “public corporations” where the “public” refers to publicly traded shares instead of public or state ownership) have such widely dispersed shares that the shareholders are not able to organize together to act as a coherent decision-making unit. If dissatisfied with decisions made by the firm, each small shareholder would have to incur great costs to organize other shareholders and would stand to gain only a minuscule amount. Thus the shareholders apply the “Wall Street rule” of “voting with their feet”, i.e., selling their shares.

The voting rights attached to the common equity shares fall into disuse, and the *de facto* control rights over the company fall into the hands of the managers (who typically own an insignificant amount of shares). These management-dominated companies are sometimes called “managerist” companies, and they have evolved a philosophy of “managerialism” [Enteman 1993]. According to this view, the corporate managers are endowed with a “social responsibility” to balance and promote the interests of all the “stakeholders” which include the shareholders, employees, creditors, suppliers, customers, local residents, and government. By being “responsible” to everyone, the managers are in fact accountable to no one but themselves (as one can judge by considering the levels of executive compensation and benefits in the large American companies).

The American model is held up to the world as the example of an economy operating according to clearly defined property rights. Yet, we have seen the reality is quite different. One of the crucial parts of “property rights” are the control rights, and the control rights over the major corporations in America are *de facto* held by people based on their functional role (as the corporation’s managers), not based on their property.

Conventional economics offers no explanation of how the American economy could function so well in spite of diverging at such a crucial juncture from “the American model.” Instead conventional economics downplays the “separation of ownership and control” into the “agency problem of corporate governance” where—as in any agency situation—there might be some divergence between the desires of the principals and the decisions of the agents. And then attention is focused on how the managerial labor market and the takeover market (or market for corporate control) might function to lessen the agency problem. With such soothing discussions, one can easily forget about the fundamental divergence between “the American model” of a property-rights-based economy and the reality of the managerist corporation.

### **The Japanese Model**

When any consideration is given to alternative non-Anglo-American models, the German model (with employee representation on the co-determination boards) or the Japanese model are usually mentioned. Since it now appears that early 21<sup>st</sup> century world economy will have the Asian economies of Japan and China as a major if not dominant part, we will focus on the Japanese model. It is fundamentally different from the Anglo-American model.

The fundamental principle underlying the Japanese model of mixed economy is anthropocentrism, or what Keisuke Itami refers to as “peoplism.” Peoplism is given concrete expression in the form of employee sovereignty with the corporation, and an emphasis on the independent, land-owning farmer within agriculture. This principle is clearly different from the ideological foundations of Western capitalism, and it would be incorrect to assume that the Japanese system belongs to the same regime just because it uses market mechanisms extensively and exists side by side with a democratic political system. [Sakakibara 1993, p. 4]

Post-war Japan was the original East Asian “miracle” economy, and, in spite of the hegemony of the American model in most discussions, the Japanese model may well exert a strong direct or indirect influence on the evolution of the large enterprises in China.

Many treatments of the Japanese economy focus on the role of the state and industrial policy. However, the state does not produce the products that have so successfully blanketed the world. The Japanese firm has been the main actor in this success story. Two sides of the Japanese firm need to be considered: the external connections to other business-related firms and the internal system of corporate governance.

Much of the productive power of modern Japan is contained in the financial-industrial groupings called “keiretsu” [see Gerlach 1989]. There are vertical keiretsu dominated by one firm such as Toyota and horizontal keiretsu such as Mitsui or Mitsubishi where a large variety of industries are represented within the group. Each group has a main bank that plays the leading financial role.

In the “standard American model” of a company, the insiders (managers and workers) are agents who are supposed to answer to the “owners”, the shareholders. We have noted how the large American companies have, aided by the stock market, gained “separation” from the shareholders and a degree of managerial autonomy through a strategy of atomizing shareholdings. The insiders in large Japanese firms have gained their autonomy from the shareholders through the strategy of cross-ownership. Shares are, in effect, exchanged with business partners so that most of the shareholding will be in friendly hands. The firms are thus tied together both by business and by shareholding.

A high proportion of the holders of Japanese equity have more to gain from the other business they do with the company whose shares they hold than from profits or capital gains on the shares themselves. They are 'committed' in interest terms because they have a stake in the actual long-term growth of the company. They are committed in practical institutional terms in that they hold the shares by arrangement with the issuing company and it is hardly thinkable that they could dispose of the holding without consulting with the company's managers. [Dore 1987, p. 113]

As long as a firm is performing satisfactorily, the cross-shareholders will defer to the managers of the firm. When a firm is in distress, the main bank typically steps in with the blessings of the cross-shareholders to orchestrate the restructuring of the firm. Thus the cross-holding creates a system of contingent self-governance—insider or employee sovereignty contingent on the company staying out of financial or business distress.

When company A owns shares in company B, and company A gets into distress, then it may ask B for permission to sell the B shares to raise some needed capital. This is considered something of a disgrace and is usually accompanied by promises to buy back the shares from the market when profitability returns. If a typically unrelated shareholder would not normally ask the permission of management to sell shares in the company, then those shares are called “floating shares”. Ordinarily, only about 20-30% of the shares in the large companies are floating shares on the stock market. The remaining 70-80% of the shares are locked into the cross-holding pattern.

With over a majority of the shares stabilized in friendly hands, there is virtually no takeover market or market for corporate control in modern Japan. The very idea of a takeover is held in disrepute in Japan.

The reason Japanese think this way is not because the Japanese spiritual make-up is particularly special, but because Japanese corporations are organized as aggregate bodies of corporate employees, and in effect the buying and selling of a company takes on a semblance of buying and selling a group of human beings. [Matsumoto 1991, p. 45]

Since the War, there have been only a handful of hostile takeovers in Japan and those were in small to medium-sized companies [see Kester 1991].

In the standard Western model of a market economy, market relationships between buyers and sellers are thought of as spot or auction market transactions. If the same commodity can be purchased from another seller at a lower price, then demand switches to the lower-cost supplier. In the Japanese economy, there is the rather different notion of relational contracting [see Goldberg 1980]. It is a long-term high-trust relationship with extensive communication along many other dimensions than just price and quantity. Relational contracting extends well outside the specific keiretsu groupings. Contractual partners might even exchange shares as a symbol of the long-term relationship.

In the Western model, shareholding is by itself a relationship; it makes the shareholder an “owner” of the company. If the shareholder has some other business relationship with the company, that is considered a “conflict of interest.” The unrelated shareholder would be interested only in the pure profit of the firm (in the form of dividends or capital gains). A related shareholder would have a “divided loyalty”—some other economic interest in the firm aside from profit (e.g., salaries or the price paid for the products)—so the shareholder would not be a pure representative of the firm. Representatives of related shareholders on the board would not

be “independent” directors. Related parties, such as workers, managers, suppliers, or customers, are external to the firm. The shareholders are thought of as the “members” of the firm whose interests (profit) define the goal or objective of the firm to be maximized.

In the Japanese firm, the shareholders are not sovereign. The returns on the shares have more of the characteristics of debt or preferred stock [see also Gerlach 1989, p. 157; Matsumoto 1991, p. 6; Dore 1987, p. 114].

Against this pattern as it has developed in the West, the common stock shareholder of the Japanese company is more in the position of a preferred shareholder in a Western company. Having made an investment that is at risk, the shareholder is entitled to a return on that investment. Therefore dividends are paid, but not as a percent of earnings but as a percent of the par value of shares in the company. [Abegglen and Stalk 1985, p. 184]

In the Japanese model, shareholding is usually symbolic of some other business relationship.

Unlike Western institutional shareholders, which invest largely for dividends and capital appreciation, Japanese institutional shareholders tend to be the company's business partners and associates; shareholding is the mere expression of their relationship, not the relationship itself. [Clark 1979, p. 86]

The board of directors would typically be made up of representatives of the related parties—firstly the managers and other long-term employees and then the banking and insurance partners, the main customers, and the suppliers.

The basic difference between shareholding as the relationship, and shareholding as being only symbolic of a relationship can be explained using the distinction between property rights and rights that are attached to a functional role (which are sometimes called “personal rights”). In the standard Western corporation, the control and current income rights attached to the common voting shares are considered to be property rights that may be bought and sold freely between legal parties. In the model democratic firm, the control and current income rights are personal rights attached to the functional role of working in the firm (so that the insiders would be self-governing in their work and would reap the positive and negative fruits of their labor). Board members should be representative of those who have this functional role. When a business entity is in a web of relational contracts, then the exact boundaries of the firm become

vague. Thus the presence of a few representatives of relational partners on the board is broadly within the bounds of the notion of a democratic firm. The insiders are represented on the board through the presence of the senior and retired managers (although there is no formal machinery for these board members to be elected by, or held accountable to, the insiders).

Although there is some danger of oversimplification in making such a statement, the most direct description of this situation is that Japanese corporations 'are controlled by, and exist for, their employees'. Japanese corporations are thus united bodies of corporate employees. [Matsumoto 1991, p. 27]

On the basis of analyses made on control structures within Japanese corporations, Takanori Nishiyama claims that the Japanese economic system has already been transformed into a system that might called 'laborism', where corporations are under the control of workers, or, perhaps, supervisory workers. [Matsumoto 1991, p. 20]

The connection between board membership and representation of those having the functional role of being “in the firm as a community” realizes part of the basic structure of the democratic firm [see Dore 1987 for the model of the Japanese firm as a community].

If the legal shell of the joint stock company is used to package a democratic firm, then the ownership of the shares must be attached to the functional role of working in the firm. Share ownership by insiders, however, has not been an important feature in the Japanese model (or the German model where employees are represented by law on the supervisory boards independent of share ownership). While major relational partners may own corporate shares and be represented on the board, the insiders in the large Japanese firms have usually not been major shareholders. If the insider or employee sovereignty of the Japanese model is to be institutionalized in a formal corporate structure, then insider share ownership using something like the Employee Stock Ownership Plan or ESOP may well be a possibility.

Another important aspect of the Japanese model is the labor system of lifetime employment. The so-called “employment relation” becomes the ultimate example of relational contracting—the identification of the worker with the firm. High trust is developed between workers and managers by managers exercising the self-restraint to not use their power to enrich themselves and to take advantage of the workers. On their side, the workers choose to be cooperative without feeling that they are exposing themselves to being opportunistically exploited by self-aggrandizing managers. That mutual cooperativeness in the high trust management-labor

relationship is the basis for the high X-efficiency of the Japanese firm [see Leibenstein’s work collected in Button 1989]. That stands in sharp contrast with the American model where managers and employees are both seen as outsiders devoted to their own self-interest who must be “monitored” by the “owners”—the unrelated (and thus absentee) shareholders—to protect “the interests of the firm.”

A simple cooperative action game (of the prisoners’ dilemma variety) can be used to illustrate the difference between a company based on low trust with individual optimization and a company based on high trust, identification with the firm, and cooperation [see Leibenstein 1984, 1987 for the best treatment of this approach to the Japanese firm]. The players A and B could be thought of as managers and workers (or as any two groups in the firm) who need to cooperate together to increase the X-efficiency of the firm.

		Payoff to Player B	
		Cooperate	Not Cooperate
Payoff to Player A	Cooperate	\$A+1, \$B+1	\$A-2, \$B+2
	Not Cooperate	\$A+2, \$B-2	\$A, \$B

Typical Cooperative Action Game

If each player chooses the individualistic not-cooperate action, then they receive the non-cooperative payoff of \$A and \$B. If they cooperate, then the total results increases by (say) 2 which we assume is evenly split to arrive at the cooperative payoffs of \$A+1 and \$B+1. But if one party opportunistically chooses the individualistic non-cooperative option when the other party acts cooperatively, then the total result remains the same (no increase without cooperation of parties) and two units are shifted to the rent-seeking party. The strategy pair (Not Cooperate, Not Cooperate) is the dominant equilibrium solution. No matter which strategy one player chooses, it will always pay the other player to take the non-cooperative action. But that non-cooperative outcome (\$A, \$B) is dominated by the cooperative outcome (\$A+1, \$B+1) which is better for both parties.

This prisoners' dilemma-type game is a generic representation of the countless cooperative action situations that occur continuously and at every level in the complex multi-person productive operation of a firm. In each given situation, effective monitoring and enforcement might be applied at a certain cost to change the payoffs and thus assure the cooperative outcome. But this “external” neo-classical solution is hardly feasible over the countless cooperative action situations that occur in a complex team operation. The Japanese company uses the alternative “internal” solution of developing a corporate culture of cooperation that leads to a virtuous circle or high level self-reinforcing equilibrium. This cooperative culture is feasible in the Japanese

company because the managers and workers are the members of the community and will reap the joint fruits of their cooperative efforts.

The following table summarizes these and many other areas of contrast between the American or Anglo-American model company and the Japanese model company [see Clark 1979, or Dore 1987 for similar tables]. It should be remembered that a comparison is made between models. As was previous noted, the large American companies function somewhat differently in practice.

<b>Characteristic</b>	<b>Anglo-American Model Company</b>	<b>Japanese Model Company</b>
Residual Claimants	Shareholders	Long-term member-workers
Entity	Property of shareholders	Community of members
Company board	Representatives of shareholders	Council of community elders with representatives of major related organizations (e.g., main bank)
Role of management	Agents of shareholders	Senior leaders of community
Management self-interest	Assumption of individual maximization of reputation in managerial labor market (non-cooperative strategy)	Assumption of cooperative leadership to make company prosper and maximize reputation within firm (cooperative strategy)
Monitoring of management	By board and ultimately by shareholders and market for corporate control	By management elders/peers and bank representatives on board
Role of shareholders	Owners	One of stakeholder groups along with suppliers and customers
Shareholder interest	Maximization of company profit (assumption that shareholders are normally unrelated to company)	Shareholding often symbolic of business relationship, the latter being the primary economic interest. Little attention to unrelated floating shareholders.
Transactions with related shareholders	To be controlled by independent directors or forbidden by "firewall" regulations	Normal part of relational contracting where shareholding is symbolic of business relationship
Dividends	Paid-out share of profits	Quasi-fixed like dividends on preferred stock
Role of long-term workers	Contractual employees	Members of community
Worker interest	Assumption of individual maximization (non-cooperative strategy)	Assumption of cooperative action to make company prosper (cooperative strategy)
Organized worker representation	Trade union (adversary relation based on workers versus company)—your jam or my jam	Enterprise union (oppositional relation loyal to company)—our jam today or our jam tomorrow
Source of labor efficiency	Allocative efficiency based on labor mobility	X-efficiency based on labor immobility
Labor training	Responsibility of worker as it increases value on labor market—training for specific skills	Responsibility of company since immobility allows company to benefit—training for general skills
Job definition	Extensively specified job definition to limit opportunism	Job flexibility and low monitoring based on worker commitment to company
Wage determination	Rate for job determined by market	Rate determined by seniority and assessed merit
Response to	Reduce employment and other direct costs to	Maintain employment, reduce hours, and

secular decline	maintain profits	retrain workers for new product lines
Relations to suppliers and customers	Auction market contracting based on assumption of mobility and exit leading to greater allocative efficiency	Relational contracting based on assumption of immobility and voice leading to greater X-efficiency

The Japanese company goes a long ways towards showing how a democratic firm might operate in practice. It puts to rest the idea that the Anglo-American model is the only model that can succeed in a modern economy, and it shows that a more democratic model may also be superior in terms of efficiency and competitiveness in addition to the first principles of getting the fruits of your labor and democratic self-determination.

# *Conclusion*

## **Economic Democracy as a Third Way**

An *economic democracy* can be roughly defined as a mixed market economy where the predominance of economic enterprises are democratic worker-owned firms (see Dahl, 1985). It differs from capitalism primarily in the abolition of the employment relation. The relationship between the worker and the firm is membership, an economic version of “citizenship,” not employment. It differs from (state) socialism in that the firms are democratic worker-owned firms, not government-owned firms, and the firms are interrelated by a market economy with various degrees of macro-economic guidance furnished by the government.

Economic democracy is a genuine third way that is structurally different from classical capitalism and socialism. It can be viewed as an outcome of evolution starting either from capitalism or from socialism.

A capitalist economy within a political democracy can evolve to an economy of economic democracy by extending the principle of democratic self-determination to the workplace. It would be viewed by many as the perfection of capitalism since it replaces the demeaning employer–employee relationship with ownership and co-entrepreneurship for all the workers.

A state socialist economy can evolve into an economic democracy by restructuring itself along the lines of the self-management socialist tradition. It would be viewed by many as the perfection of socialism since the workers would finally become masters of their own destiny in firms organized as free associations of producers.

There is more to an economy and certainly more to a socio-political system than the form of economic enterprise. Yet we have intentionally focused only on the firm—not on broader economic or social questions. This has been quite feasible due to the traditional neglect of the firm in both capitalist and socialist economic theory. In neo-classical economics, the firm is seen as a technologically specified black-box or, from the institutional viewpoint, as a piece of property, a capital asset—not a community of work qualifying for democracy. Socialist theory, from Marx onwards, has been notoriously silent about the “socialist firm.”

## **First Principles**

### *The Labor Theory of Property*

The democratic firm is grounded on first principles, the twin pillars of the labor theory of property and democratic theory.

The analysis began by setting aside what we called the “Fundamental Myth” that residual claimancy is part of the ownership of the means of production. The whole question of the ownership of the new assets and liabilities created in production (which accrue to the residual claimant) has been suppressed in capitalist economics because those assets and liabilities were taken as part of the already-existing ownership of the means of production. By simply considering the case where the physical means of production are rented or leased, we can see that the residual claimant appropriating those new produced assets and liabilities could be different from the owner of the means of production. The ownership of the capital used in production only determines to whom the residual claimant is liable for the used-up services of capital.

Having conceptually separated the residual claimant’s role from the capital supplier’s role, we then turned to the normative question of who ought to appropriate those new assets and liabilities created in production. We applied the standard juridical principle that legal responsibility should be assigned to the *de facto* responsible party. Regardless of the causal efficacy of the services of capital and land, only the intentional actions of persons can be *de facto* responsible for anything. Thus the people involved in a productive enterprise, the managers and workers, are *de facto* responsible for producing the outputs and for using up the inputs. By the standard juridical principle, they should therefore have the legal liability for the used-up inputs and the legal ownership of the produced outputs, i.e. they ought to be the residual claimant.

This argument is none other than the old “labor theory of property” usually associated with John Locke restated in modern terms using the language of jurisprudence. The argument also makes sense out the peculiar dual life that Locke’s theory has always had; it is taken as the basis of private property as well as the basis for a radical critique of capitalist production. We found that there was no contradiction in that outcome. Labor is the natural foundation for private property appropriation, and capitalist production—far from being “founded on private property”—denies that labor basis for appropriation. In that sense, it is private property itself that calls for the abolition of capitalist production (i.e. the employment relation) so that people will always appropriate the positive and negative fruits of their labor.

This same idea occurs in a rather oblique form in the socialist tradition as the “labor theory of value.” The labor theory of value has always had two rather different interpretations: labor as a measure of value, and labor as a “source” of value or, rather, of what has value. The measure version of the labor theory of value has been a complete failure—and, in any case, it had no interesting normative implications. Thus capitalist economists want to stick to the measure version of the theory (since it is a failure) and state socialists also want to stick to it (since it has no implications against state socialism). The alternative source version of the “labor theory of value” is the labor theory of property disguised in “value talk.” It has direct implications against

capitalist production in favor of the democratic firm, and it has direct implications against state socialism in favor of the alternative tradition of democratic self-managed market economy.

The end result of this reformulation of the basic issues is that a new “villain” emerges, the employment relation. The villain of capitalist production is not private property or free markets (far from it), but the whole legal relationship of renting, hiring, or employing human beings. It was the employment relation that allowed some other party to hire the workers so that together with the ownership of the other inputs, that party would be the residual claimant.

An old inalienable rights argument, originally developed against the self-sale contract, was applied against the self-rental contract, the employment contract. As illustrated by the example of an employee obeying an order to commit a crime, *de facto* responsible human actions, i.e. labor services, are not factually transferable—so the legal contract to transfer labor is natural-law invalid.

Instead of abolishing the employment relation, state socialism nationalized it. Substituting state ownership of slaves for private ownership would not abolish slavery, and substituting employment of the workers in the name of the “public good” for employment in the interest of “private greed” does not abolish the employment, hiring, or renting of workers.

Only the democratic firm—where the workers are jointly self-employed—is a genuine alternative to private or public employment.

### *Democratic Theory*

The residual claimant has the direct control rights over the production process. The application of democratic principles to work has thus been clouded by the Fundamental Myth that residual claimancy is part of the ownership of the means of production. As the leasing movement in the former Soviet Union discovered, the renting or leasing of capital separates the direct control rights over production from capital ownership.

The ownership of capital only gives the owner an indirect control right, a right to say “No, you may not use the capital,” the right to make the worker into a trespasser. To acquire the direct control and authority over workers, the capital owner must also be an employer. Indeed, a “capitalist” is a capital owner who is also an employer. Without the employment relation, a capital owner is not a “capitalist” but is only a capital supplier to worker-managed firms.

The same logic holds when the capital owner is a corporation. Of course, the shareholders have the control rights over the *affairs of the corporation*. But it is the employment contract or its opposite, a capital leasing contract, that determines whether the “affairs of the corporation”

include authority over the workers in the production process (when labor is hired in) or simply the leasing out of capital to the workers or some other party undertaking the production process.

Traditional liberalism's inability to significantly raise the question of applying democratic principles to the workplace (see any standard economics text) has been fostered by the public/private distinction. Democracy governs in the "public" sphere while property supposedly governs in the private sphere. But that misinterprets the rights of property. Property only includes the indirect control right, say, to make a worker a trespasser. Authority or direct control over the worker only comes from the employment relation. Property is only relevant as giving the bargaining power to make the employment contract rather than the capital leasing contract.

Capitalist liberalism has also misrepresented the whole question of democratic or non-democratic government in the public sphere as a question of consent or coercion. That is superficial intellectual history (see Ellerman, 1992) which allows capitalist production to be presented as analogous to public democracy since both are based on consent. Marxists typically miss the point by questioning whether or not capitalist production is "really" voluntary. The real point is that there is a whole liberal tradition of apologizing for non-democratic government based on consent—on a voluntary social contract alienating governance rights to a sovereign, e.g. the Hobbesian *pactum subjectionis*. The employment contract is the modern limited workplace version of that Hobbesian contract.

The critique of capitalist production is a critique of the voluntary employment contract, the individual contract for the renting of people and the collective Hobbesian *pactum subjectionis* for the workplace. The critique is not new; it was developed in the Enlightenment doctrine of inalienable rights. It was applied by abolitionists against the voluntary self-enslavement contract and by political democrats against the voluntary contractarian defense of non-democratic government.

Today's economic democrats are the *new abolitionists* trying to abolish the whole institution of renting people in favor of democratic self-management in the workplace.

It might be noted that we have purposely refrained from emphasizing the efficiency arguments customarily used in favor of the democratic firm. Both capitalism and state socialism suffer from the motivational inefficiency of the employment relation. Thus efficiency provides the principal "practical" reason for the two-sided evolution in the direction of greater participation and democracy in the workplace.

But efficiency considerations always leave the structure of rights under-determined. If it is only efficiency that counts, then non-democratic structures can always be designed to try to *simulate* participative democratic structures (e.g. profit-sharing and participation programs in

capitalist firms). If a simulation fails, then there will always be other variations that might provide a better simulation.

Real social change, when it comes, is driven by ideas and principles, not simply by “efficiency considerations.” Absolute government as well as slavery sagged after centuries of inefficiency, but it was their illegitimacy in the light of first principles that drove the democratic revolutions and the abolition of slavery in the eighteenth and nineteenth centuries. Thus we have focused on the basic principles that drive towards economic democracy.

### **The Democratic Firm**

The democratic firm was defined by showing how the conventional bundle of ownership rights is restructured and reassigned so as to satisfy democratic theory and the labor theory of property.

Democratic theory is implemented in an organization by treating the ultimate direct control rights, i.e. the voting rights to elect the board, as personal rights assigned to the functional role of being governed.

The labor theory of property is implemented by assigning the rights to the produced outputs and the liabilities for the used-up inputs whose net value is the residual or net income to the functional role of working in the enterprise.

Thus the twin pillars of democratic theory and the labor theory of property imply that the two membership rights, the voting and profit rights, should be assigned as personal rights to the functional role of working in the firm. Since the membership rights become personal rights, the democratic firm becomes a democratic social institution rather than the traditional piece of property.

The remaining rights to the net value of the corporate assets and liabilities remain property rights represented in the internal capital accounts. The individual accounts represent property originally put in by the workers (e.g. membership fees) and the net value of the fruits of their labor reinvested in the firm.

### Restructured Ownership Bundle in a Democratic Firm

Membership rights (#1 & #2) assigned as personal rights to worker's role.	1. Voting rights (e.g., to elect the Board of Directors), 2. Net income rights to the residual, and
Net asset rights (#3) are property rights recorded in internal capital accounts.	3. Net asset rights to the net value of the current corporate assets and liabilities.

The system of internal capital accounts is not an afterthought. It is an integral part of the structure that corrects the property rights deficiencies of “social property” involved in the self-managed firm.

#### **Worker-owned Companies in the USA and Europe**

The best examples of democratic firms in the world today are the worker cooperatives in the Mondragon group of the Basque country in Spain. One of their important social inventions is the system of internal capital accounts which they pioneered over the last quarter century.

Another major example of worker ownership in the West is the employee stock ownership plan or ESOP developed in the United States over the last 20 years and more recently in the United Kingdom. The ESOPs have been heavily promoted in America with tax advantages so that there are now about 10,000 ESOPs covering about 10 per cent of the workforce. The real innovation of the ESOP is allowing the workers to use the leverage of the company to take out a loan to buy stock, and then to have the company pay back the loan as a tax deductible expense. The ESOP also uses a trust to keep the worker shares from being individually salable and thus it provides ownership stability that is important to get the long-term commitment of the workers and managers to the firm.

The lessons of the Mondragon-type worker cooperative and of the democratic ESOP were combined in a new model, the *hybrid democratic firm*, which could be implemented in other countries of the East and West.

#### **Employee Sovereignty in the Japanese Firm**

The Japanese-model firm is quite important in the history of the development of the democratic firm because it demonstrates that a firm with employee sovereignty (although without democratic worker ownership) can not only survive but prosper in the modern economy. Instead

of being inefficient, it has set the standards in productivity and quality for the rest of the world to follow.

### **The Democratic Firm and East/West Convergence**

In the West, democracy will not forever remain alien to “what people do all day long.” Even without explicit worker ownership, many firms in the capitalist world (including Japan) are evolving in the direction of recognizing the workforce as the primary stakeholders or “owners” of the firm. The ESOPs and other worker-owned companies are only the tip of the iceberg in this long-term trend in the direction of the democratic firm.

In the world of transitional economies, centralized state socialism is giving way to social market economies where worker ownership is a major form of ownership.

The East and West are thus showing signs of convergence towards the common ground of the democratic firm.

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## Regarding the Danger of Monopolies & The Need for Intervention

(Excerpted from [Blurts & Spasms](#) Blog)

Adam Smith believed that a diffusion of wealth and the relative independence of labor were a natural byproduct of commerce. What he saw occurring across Europe was a gradual liberation from feudal forms of economic and class structure where both concentrations of wealth and servile relationships had been fixed. Manufacturing and commerce seemed to have eroded those traditions and established more liberty and economic security for everyone. This resulted in what Smith called "good government," where there was no longer anyone with sufficient means or positional influence to manipulate circumstances exclusively to their own ends (as had been the case in prior centuries), and sufficient authority to adjudicate the disposition of property and any disputes of custom. And Smith is clear about what he believes always occurs when such "good government" is absent, when disproportionate concentrations of wealth and power emerge: "All for ourselves and nothing for other people, seems, in every age of the world, to have been the vile maxim of the masters of mankind." Clearly, from his historical perspective, Smith could never have anticipated the rise of megalithic corporations whose wealth and influence far exceeded anything that has ever existed, and whose owner-shareholders have consequently

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pursued the “vile maxim” to an extraordinary degree on vast scales — restoring both the servile relationship of worker-consumers through wage and debt slavery, and the weakening and perversion of governmental authority to suit their own ends.

Smith did, however, recognize the problem of monopolies, and warned against them this way:

“Merchants and master manufacturers are, in this order, the two classes of people who commonly employ the largest capitals, and who by their wealth draw to themselves the greatest share of the public consideration. As during their whole lives they are engaged in plans and projects, they have frequently more acuteness of understanding than the greater part of country gentlemen. As their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about that of the society, their judgment, even when given with the greatest candour (which it has not been upon every occasion) is much more to be depended upon with regard to the former of those two objects than with regard to the latter. Their superiority over the country gentleman is not so much in their knowledge of the public interest, as in their having a better knowledge of their own interest than he has of his. It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the public, from a very simple but honest conviction that their interest, and not his, was the interest of the public. The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public. To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens. The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.”

And of course we have long since arrived at the very place Smith warned about; we have been subject to the “absurd tax” for many generations now. What is Smith’s solution? I think his sentiments about what constitutes “good government” elaborate on that: a government with enough authority and independence to restrict monopoly, encourage competition, and ensure the liberty and security of its citizens without interference from business owners.



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# Level - 7

## Tools For A New Political Economy

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### Example: Warren D. Smith's Splitline Redistricting Algorithm

(Used with Permission of Warren D. Smith)

#### Summary:

- Start with the boundary outline of the state.
- Let  $N=A+B$  where A and B are as nearly equal whole numbers as possible.  
(For example,  $7=4+3$ . More precisely,  $A = \lceil N/2 \rceil$ ,  $B = \lfloor N/2 \rfloor$ .)
- Among all possible dividing lines that split the state into two parts with population ratio A:B, choose the *shortest*. (Notes: since the Earth is round, when we say "line" we more precisely mean "great circle." If there is an exact length-tie for "shortest" then break that tie by using the line closest to North-South orientation, and if it's still a tie, then use the Westernmost of the tied dividing lines. "Length" means distance between the two furthest-apart points on the line, that both lie within the district being split.)
- We now have two hemi-states, each to contain a specified number (namely A and B) of districts. Handle

them recursively via the same splitting procedure.

(For additional discussion, maps and a video on this topic, visit <http://rangevoting.org/GerryExamples.html>)

### ***Recursive Formulation:***

Formal recursive formulation of shortest splitline districting algorithm

-----Warren D. Smith-----

```

ShortestSplitLine( State, N ){
  If N=1 then output entire state as the district;
  A = floor(N/2);
  B = ceiling(N/2);
  find shortest splitline resulting in A:B pop ratio (breaking ties,
  if any, as described in notes);
  Use it to split the state into the two HemiStates SA and SB;
  ShortestSplitLine( SB, B );
  ShortestSplitLine( SA, A );
}

```

---

### Notes:

1. Since the Earth is round, when we say "line" we more precisely mean "great circle." If there is an exact length-tie for "shortest" then break that tie by using the line closest to North-South orientation, and if it's still a tie, then use the Westernmost of the tied dividing lines.
2. If the state is convex, then a line will always split it into exactly two pieces (each itself convex). However, for nonconvex states, a line could split it into more than two connected pieces e.g. by "cutting off several bumps." (We expect that will occur rarely, but it is certainly mathematically possible.) In either case the splitline's "length" is distance between the two furthest-apart points of the line that both lie within the region being split.
3. If anybody's residence is split in two by one of the splitlines (which would happen, albeit very rarely) then they are automatically declared to lie in the most-western (or if line is EW, then northern) of the two districts.  
(An alternative idea would be to permit such voters to choose which district they want to be in.)

---

## Splitline Algorithm

Example: Want  $N=7$  districts.

Split at top level:  $7 = 4+3$ .

Split at 2nd level:  $7 = (2+2) + (1+2)$ .

Split at 3rd level:  $7 = ((1+1) + (1+1)) + ((1) + (1+1))$ .

result: 7 districts, all exactly equipopulous.



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## Implementing Direct Democracy and Democratic Reforms at All Levels of Government

In conjunction with the proposed [Information Clearinghouse](#), there is no reason to delay implementing direct democracy in several different ways. The technology and proof-of-concept exist - all that is required is the will, and likely Constitutional Amendments regarding the following proposals that empower The People to govern themselves. The [Swiss model](#) of semi-direct democracy, which operates in parallel with representative democracy, has some proven mechanisms and characteristics that can inform a U.S. version, and should be consulted in detail - all the way down to the municipal level. In such a context, the existing mechanisms and traditions of representative democracy could run in parallel with new, direct democracy provisions; elected representatives all the way up to POTUS would, however, have much less power. In addition, I would propose the following elements to enhance such a system:

- **Two-Stage Voting** — A preliminary vote and a final vote, separated by as much as six months, for all major direct voting (public office elections, recalls, initiatives, referenda, censures, etc.). This is to allow a cool-down period over

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controversial initiatives or legislation; additional time to research and fact-check legislation, initiatives and candidates; and allows for a reversal of certain decisions that may have been too hastily considered (i.e. “cold feet” reversals). In between each stage of the vote, [Citizens Councils](#) at the appropriate level will review and make their recommendations on the issues as well.

- **Daily Direct Democracy** — Internet voting on a daily basis - from a secure app on a smartphone, public library terminals, or a home computing device — on all legislation, executive actions and policy changes at all levels of government, for all branches of government, and for all governmental organizations, as well as to express public preferences for in-process legislation and government agency decisions. In some cases this would operate similarly to a “public comment” period, in some cases an advise and consent mechanism, and in the most impactful decision-making as a binding authorization. These differences would be the result of both public preference (i.e. established public priorities), and a result of the number of votes on a given issue - the higher the vote count, the more binding the vote becomes. In all such instances, a 90 day lead time should be provided for any proposals before the preliminary vote. And of course voting for local issues would be restricted to algorithmically defined districts within each region.
- **Public Priority Database** — As a participatory mechanism, anyone can propose a topic for public consideration, and the topics that are either a) voted into priority, or b) aggregated into an overarching topic whose sub-topics have been voted into priority will be formalized into policy initiatives, research initiatives, executive actions and/or legislation which will also be voted upon in their final form.
- **Unique Digital Identifier** — A strongly encrypted identifier assigned to all citizens of voting age, which is used to access voting sites, the Public Priority Database, the social credits system and other governmental and communal systems. It is likely also essential that two-stage verification and biometric verification also be implemented, along with secure systems for both rapid re-issue and immediate retirement upon death. This UDI (in physical, non-replicable form) will also be used to access different levels of Infrastructure and Essential Services.
- **Algorithmic Redistricting** — Using one consistent, objective, transparent algorithm across all regions of the U.S. to apportion districts to voters. As one example, see Warren D. Smith’s [Splitline method](#).
- **Technocratic/Administrative Corps** — In some cases elected directly by the public, in some cases appointed by citizen’s councils, in some cases selected by a civic lottery restricted to a pool of individuals with specialized skill sets and experience, there will need to be career technocrats and administrators in government positions who run government itself and its often highly technical or specialized programs.
- **Accountability for Elected and Appointed Officials** — Whether via direct referenda, temporary censure, and regular feedback and approval ratings, or as guided by citizen’s councils and assemblies — or other governmental checks-and-balances — all elected or appointed officials will be subject to immediate and actionable evaluations from the electorate. As always, the Fourth Estate will have a critical role in this accountability.
- **Campaign Reform** — Public funding of all campaigns (elected officials, initiatives, referenda, etc.) via equal gifted media time, strict source-branding and [PIC](#) fact-checking disclosures of all media and propaganda created by third-party special interests *that is embedded in the media itself* (a simple summation segment at the end of a given multimedia segment, or printed on physically distributed media, should suffice).
- **Citizens Councils & Citizens Assemblies** — Appointed by civic lottery, a series of nested citizens councils — starting at the community level and progressing all the way up to the national level — would help shape strategic policy and assist with tactical management at all levels. In addition, regular citizens assemblies (also selected via civic lottery) would convene at community, regional and national levels to deliberate over recurring planning and policy issues, make recommendations, and — in situations where other democratic mechanisms are not bearing fruit —

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enact legislation as well.

As background, here is what I discussed in [\*Political Economy and the Unitive Principle\*](#):

“As for institutional reforms, why not implement direct democracy at the community level? Using existing technologies, direct democracy could be regularly realized on a vast scale. Imagine a societal expectation that, every day, citizens would vote on any number of decisions with real-world consequences in their community, and do so from the comfort and convenience of their homes; we might call this “daily direct democracy.” This could shape the prioritization of infrastructure funding, or zoning for certain business activities, or the number of regular police patrols in local neighborhoods, and so on. Whatever strategic or tactical concerns could easily incorporate direct democratic decision-making would be reviewed each day, and revised and adjusted as citizens observed the impact of their decisions over time. Regarding decisions where specialized knowledge is needed, votes could be organized, solicited and even weighted based on a combination of self-reported interests, expertise and experience. Imagine further that such expectations are tied to certain social privileges - that participation in governance and planning affords benefits that would otherwise be limited or unavailable.

For community issues that require more advanced, rare or specialized knowledge - and perhaps coordination across multiple tiers of government or longer decision-making cycles - community members selected through automated lotteries could participate regularly as part of citizen commissions and community development teams, each with a clearly defined scope of responsibility, interagency liaising, preparatory training, and expectation of wider public input and reporting. Such teams and commissions could work in conjunction with elected officials and established government agencies for a limited period of time, then relinquish their position to the next group of lottery appointees. As alluded to earlier, some percentage of government agency positions would be selected via lottery as well. All of this is intended to mitigate the dangers of entrenched government bureaucracies, special interest influence, and career politicians who serve their own interests above those of their constituents. Here, however, citizen participation is mandatory and regular, demanding a high baseline level of education and ongoing awareness about community concerns and governance.”

But really, shouldn't the participatory process and its mechanisms be decided by the electorate itself? And shouldn't these remain malleable to consensus adjustments in response to new technologies or conditions? It seems obvious that this be the case. And, as I continue in *Political Economy and the Unitive Principle*:

“All of these ideas highlight an important consideration: in order to participate effectively in their own governance, community members will require extensive knowledge in the principles of community resource management, economic development and consensus building, as well as a more rigorous continuation of that education moving forward. To this end, the lessons of past successes should inform the proposed dynamics between government agencies, citizen commissions, grass-roots organizations and direct democracy. These would include empowered community organizing, awareness and development efforts, worker/consumer-owned cooperatives that have worked well, and effective partnerships between CDCs, CLTs and the communities in which they reside. Replicating the checks and balances of the overall political economy, communities would need to integrate the technocratic proficiencies of elected positions, the efficiencies of central planning and coordination, a will of the people that is both informed and compassionate, and many of the risks and benefits of free markets.

Under the same umbrella, the labor and resources that actualize community decision-making would, to whatever degree possible, be sourced from the community itself. How can self-sufficiency in decision-making be fostered if the cost of those decisions isn't borne by the community? As already mentioned, I like the idea of incentivized public funding and participation, where those who contribute the most in terms time,

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resources or ideas are rewarded with a certain level of benefit from outcomes, such as a certain quality of service, or guaranteed utilization. The valuation of contributions should of course be multidimensional, so than everyone who desires to do so can contribute in some way. But those who refuse to contribute - who consistently demonstrate that they do not value civic participation - should be afforded either fewer benefits, or benefits of lower quality."



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## Creating Non-Governmental Institutions Focused on Community Engagement

(Portions excerpted from [Blurts & Spasms](#) Blog)

There have been many revolutions throughout history that I think can help us understand how to effectively counter tyranny, oppression and oligarchy. Some by way of positive example, but many more by way of negative example and warning. As recently as the Arab Spring we have both: Tunisia as a positive example, vs. pretty much everywhere else where oppressive conditions are now much worse than they were before the uprising. But in looking at Tunisia, we still see all of the same tensions and pressures that exist in the other Arab countries where the revolution has failed – in fact most Tunisians seem to feel that real progress has been slow. But what was the difference? Why haven't things fallen apart?

Mainly this was due to a handful of Tunisian civic organizations that worked together to broker a compromise between newly elected Islamists, members of the overthrown Ben Ali regime, and other political parties. These civic organizations included the local Human Rights League and General Labor Union, UTICA (Confederation of

Industry, Trade and Handicrafts), and the Order of Lawyers. In other countries, like Egypt, Syria, Libya, Jordan, Algeria and Yemen, such organizations were not strong enough to counter a pervasive tendency to settle disagreements with oppressive and divisive tactics and, in the worst cases, brutal violence. Where in Tunisia the struggle for control remained embedded in democratic processes and dialogue, in these other countries the impulse to dominate and contain any opposition overflowed the bounds of civil society. (see [https://www.nobelprize.org/nobel\\_prizes/peace/laureates/2015/press.html](https://www.nobelprize.org/nobel_prizes/peace/laureates/2015/press.html))

I think this is an incredibly important lesson for us here in the U.S. Why? Because it illustrates that non-governmental organizations can play a key role in the political process, helping mold it into constructive outcomes. Is there still government corruption in Tunisia? Sure. Is there still fear among the population about the conservative Islamist agenda? Of course. Is there a possibility that civil society in Tunisia might still devolve if the brokered compromises cannot hold? Unfortunately, yes there is. But there are also now demonstrated civic change mechanisms to allow at least some progressive improvements to inch slowly forward without completely alienating other factions.

As with the Arab Spring, the ratio of positive to negative outcomes for other uprisings around the globe has been fairly constant: perhaps 1 in 8 succeeds to create a better, more just, more stable situation for its people. Have things gotten better in South Sudan, Russia, Greece, Turkey, Ukraine, Hong Kong or Venezuela after recent activism, protests and revolutions in those countries? On the contrary, in most cases they have gotten considerably worse. In other words, there is no guarantee that disrupting, undermining or even overthrowing the status quo will result in a beneficial outcome.

Perhaps you can sense where I am going with this. Basically, as I see it, if there is sufficient momentum in the U.S. to disrupt the status quo via political or other means, the 2016 presidential election could produce unsavory outcomes closely mirroring the consequences of the Arab Spring and other recent uprisings around the globe. We could, for example, end up with a deluded megalomaniac with the knowledge and attention span of a gnat commanding the most powerful military on Earth. Or we could have far-right obstructionists take complete control of Congress. We could have eight years of new pro-corporate, anti-women, anti-immigrant, anti-poor Supreme Court Justices receiving lifetime appointments. We could have another economic downturn resulting from laissez-faires government policies, tax breaks for the rich, and risky investment behavior. We could have all of this.

And for what? What would that accomplish, exactly? It's not as if only the foolish idiots voting for Trump would be punished for their stupidity and ignorance – we would all be punished for their stupidity and ignorance. And as the economic, political, civil rights, religious and other freedoms and choices consequently became fewer and harsher in the U.S. for a majority of its citizens, the right-wing neoliberal fear-peddlers could keep the flames of hatred, anger and blame burning ever-so-brightly in America. Because, just as with so many of the Arab Spring countries, the darkness and despair would all but extinguish any lingering hope.

That is, unless we can follow Tunisia's example and strengthen our non-governmental civic institutions instead. I think that is where the tremendous energies of those who feel disappointed, disillusioned and disenfranchised in the U.S. could be focused. Instead of using a protest vote in November to rail against an unjust system, we can

turn to more effective revolutionary efforts and apply our passions there. After all, that's precisely what wealthy corporations do when they lobby Congress or use A.L.E.C. to push self-serving laws through state legislatures. For progressives, there are all sorts of organizations involved in battling the neoliberal agenda – from overturning Citizens United, to trying to pass constitutional amendments against “corporate personhood,” to environmental activism, to holding corporations accountable for malfeasance, to ensuring voting rights for the oppressed....hundreds of opportunities to engage. And again, to be clear, this is exactly how right-wing fanatics have influenced U.S. politics: by investing their time, energy and money in ultra-conservative organizations and movements over years and decades.

In other words, we should never believe that putting all of our eggs into one basket (i.e. electing Bernie Sanders or any other President) would be a sufficient solution to the systemic problems we face in America today. I think that, in many ways, this is an illustration of how our consumer mentality has corrupted the political process: instead of actively engaging the long arc of the moral universe, applying ourselves each day with diligent effort to right the wrongs of plutocracy, we want justice right now. We want a quick fix. We want a hero, a champion, who can promise the execution of a new vision without our having to participate and work hard to make that vision real. This is a hallmark of consumer society, where we are told – every day, and often every minute – that real answers can be obtained at the click of a button, and all our needs can be met with an instantaneous purchasing decision. But enduring change requires real commitment over long stretches of time...not just one vote.

### ***Why Is Community Engagement Important?***

Communities are where ready cohesion is waiting to sally forth. Whereas complex, abstract, global issues may be difficult to harness in terms of building consensus, it is relatively simple to find common ground around pressing community issues. Local housing and real estate development, local energy production, local roads, local businesses and jobs, local environmental issues, local pollution, local animal concerns, local entertainment, local grocery and retail, local banking, local crime...people already care about what is happening in their community. All that is required is a concentration of focus, a regular dialog, and demonstrated evidence that voluntary engagement will produce desirable results. Along these lines, there are established and successful methods of engaging at the community level that are integrated with Level 7 proposals. These include Community Land Trusts, Community Development Corporations, community banking, [community property shares](#), citizens councils, [daily direct democracy](#), and [Community Coregroups](#).





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## Why Do We Need Technocrats?

Here are some of the drivers that increasingly demand technocratic proficiency in the coming age:

- 1. Exponentially increasing complexity and scale in all human systems and processes.**
- 2. Accelerating rate of cultural, intercultural and technological change.**
- 3. Compounding interdependence in relationships across human systems and between different arenas (local, regional, national, international).**
- 4. Exponentially enlarging spheres of data, information and knowledge across all areas of study and application.**
- 5. Hyperspecialization of knowledge and language among ever-widening differentiation in subspecialties.**

**6. Individual and collective human superagency, where the scope of consequences of a given action or decision can have tremendous short and long-term impacts.**

**7. Global diffusion and democratization of knowledge.**

There seems to be a prevailing fantasy that humans will be able to rely on Artificial Intelligence, automation and autonomous robotics to help them navigate many of these issues. But I think that is both technologically unlikely in the near future, and an unnecessary and potentially dangerous capitulation. Much more likely — and in my opinion necessary — will be the augmentation of human intelligence and role definitions to better manage our noosphere and agency and extend our capacity. In my own 15+ years of IT consulting, I developed an adage that seasoned technology geeks have always agreed to be true: *Computing is really great, and really powerful, until you have to rely upon it.* Specifically, human beings have not mastered the design of systems that can self-organize or contextualize complex input; instead, we have remained stuck at the same level of functionality in this arena — regardless of Moore's law and the sophistication of software programming: "Garbage in, garbage out." In other words...if humanity ever does cede its decision-making responsibilities across a majority of societal systems and processes, there will almost certainly still be technocratic class tasked with programming, administering, maintaining and repairing computer intelligence; there will be human watchers observing and managing the AI watchers observing and managing human activity.

Alternatively, if there were to be some sort of technological singularity that took over in a big way — or if human beings eventually voluntarily gave up all of their agency to machine intelligence and technological determinacy — this would effectively resolve the challenge I am outlining. It would also effectively resolve the requirement for human existence. There is plenty of dystopian science fiction along these lines to illustrate the concerns over this fate circulating through the zeitgeist. So in my view this offers us one more argument for the necessity of technocrats and our active planning and cultivation of this group.

With respect to Level 7 proposals, the necessity of technocrats at all levels of government institution, within NGOs, and across all layers of the enterprise schema is obvious. There will be technocrats specializing in common property share allocations, currency backing, transfers and social credits system integrity and security. There will be technocrats who oversee energy production and distribution. There will be technocrats who specialize in research, information organization and input vetting for the Public Information Clearinghouse. There will be journalistic technocrats elected to the [Fourth Estate](#) to safeguard the integrity and authenticity of information propagated by all media (inclusive of social media), and to watch over other branches of government in order to hold them accountable in the public sphere. There will be technocrats proficient at navigating and regulating the legal system, medical care and polycentric governance. And there will be technocrats who specialize in interdisciplinary communication and knowledge integration at the highest levels. It is inconceivable that without such specialization and expertise that an increasingly global civilization can function at all — let alone thrive. And this is regardless of subsidiarity, distribution and diffusion — because the interconnectivity, interdependence, growing knowledgebase, superagency, accelerating change, and complexity will all still be in play... probably for the rest of human existence.

A substantive difference within Level 7, however, is that technocrats will not be a privileged class. Respected and appreciated, sure. But their passion for a given specialty will need to be intrinsically rewarding for them, because they will

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not wield any special authority or position of influence over the rest of society. Instead, they will contribute to the direct democratic process in a consulting capacity — sages to advise the electorate, citizens councils, citizens assemblies, provide [Delphi method](#) policy recommendations, etc. — and as elected or appointed administrators and managers within worker-owned free enterprise the Universal Social Backbone. In such roles, their influence will be dependent on the moral maturity and civic engagement of the rest of society, as direct democracy weighs in on any policy, program or methodology they champion or design. I think this will be a difficult balancing act, and it will mean that diffusion and democratization of knowledge will have to pass a tipping point, where the electorate learns enough to humbly recognize just how ignorant and incompetent it can be, and the current epidemic of Dunning-Kruger armchair expertise attenuates of its own free will.

The increasingly global reaction to the seven drivers listed above has been to long for simpler times past, to deny that change is happening, to reassert arbitrary individual agency in the face of systemic failures and alienation, to scapegoat outsiders, and to invest in bloviating strongman leaders who brashly promise impossibilities — only later to admit they did not realize how complex or difficult managing reality has actually become.



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## The Unitive Principle

(Portions excerpted from [Managing Complexity with Constructive Integralism](#); see also [Level 7 Property Position](#))

***In short, the “unitive principle” is innate and cultivated love — specifically an unconditional love-consciousness that inhabits the felt experience of compassionate affection — that invites social cohesion, stimulates prosocial behaviors, and energizes individual and collective moral evolution. The impact of the unitive principle on personal and societal development is captured in this chart:***

### **[Integral Lifework Development Correlations](#)**

It takes a while to absorb the content of such a chart, and it would take even longer to discuss it more fully, but the idea that there is a predictable arc of moral advancement is an essential feature of the values hierarchies that support constructive integralism. Why? Well, for one thing the shape and feel of a “the greater good” — or any other overarching imperative that directs our intentions — would otherwise be impossible to predict or promote. For another, “love-consciousness” would be just one of many possible states of being, and

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there would be no way of validating its primacy. We would have trouble, for example, defining and grouping emotionally “healthy” states, or defending the observation that they are more constructive or efficacious than emotionally “unhealthy” states. This is precisely the same relationship that multidimensional awareness has to a higher tolerance for complexity, so that an open-minded, self-discerning mode of evaluation is clearly more beneficial than a closed, reflexive loop that relies on externalized guidance. And without a way to prioritize ideations, values and actions, our efforts would be set adrift amid an ocean of competing and seemingly equivalent ethical ideologies...which is in fact one of the more miasmatic maladies of the postmodern era. Indeed, I feel it is this very malady that may have infected some of the other iterations of integral thought.

As an alternative, if we allow responsible and skillful love to instruct and refine all other emotions, thoughts, behaviors and intentions – all impulses of consciousness, body and will – we can begin to arrive at values hierarchies that are not only internally consistent, but that energize a clearly defined evolutionary arc amid complex and often competing systems. When combined with multidimensional awareness, we can sort through the profoundly complicated issues of the modern world and assign dynamic, flexible priorities. I can attest to this not only theoretically, but from my own experience. In managing people in organizations, for example, whenever I placed “the good of All” above any other agenda — above shareholder profits, for example, or my own ego gratification, or the favoritism of one person over another, etc. — then the outcome was always beneficial to the largest degree for the largest number, as long as I could integrate as many perspectives as possible within this compassionate prioritization. And this was true in all sorts of environments, from non-profit to corporate to governmental to community organizations: a principled decision motivated by maximally-inclusive compassionate affection always created more harmony and contentment in the end, even if it wasn't initially popular with one or two employees or community members, and even if it ruffled my manager's feathers.

Of course, we could also choose something else to power our values hierarchies. We could choose acquisitive materialism, or reinforcement of unequal social power structures, or righteous indignation, or violent justice, or self-imposed victimhood, or childish egoism, or malicious spite, or one of the many other motivational memplexes available in humanity's noosphere. But what the sages of nearly every wisdom tradition declare, the prosocial genetic programming of primate species suggests, the depths of mystical gnosis illuminates, and multidimensional awareness affirms, is that the felt experience of compassionate affection has the greatest motivational efficacy. It is the wisest pilot for our consciousness, the most elegant moral arbiter for our species, and the choicest compass for our soul. In True Love, I go so far as to say that skillful love is a prerequisite for adequately nourishing ourselves or others in any dimension:

“A stronger way to state this principle is that without the cofactor of love, the nutrients available to different dimensions of our being cannot be properly metabolized. You could even say that a paucity of love is our greatest barrier to wholeness and well-being. The felt experience of compassionate affection must develop in parallel with every other aspect of self; it is both a prerequisite and product of nurturing efforts. Returning for a moment to the strata of moral valuation, consider that movement from one stratum to the next cannot occur unless love is firmly seated in our consciousness. Authentic love, in this context, is the fullest expression possible of our particular level of moral development; it progressively defines what we value and how courageously we act on those valuations. This leads to one way we can define love-consciousness: love that has become fully conscious within us, producing a sensitivity that is wholly infused with love and grounded in ever-

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expanding arenas of affection. Another way to say this is that our moral development reflects the maturation of love within us, and this in turn defines how skillfully we can achieve multidimensional nourishment for ourselves and throughout all of our interactions. Our energy exchanges become the very currency of love and the evidence of its sovereignty in our life...

...If I feel affection for myself, won't I want to nourish every aspect of my being? And if I can care for myself effectively, won't that help me become more competent in facing new challenges? Thinking, choosing and acting from a place of loving kindness, we have the courage to be flexible and allow appropriate fulfillment impulses to take the upper hand when needed. Then our love can flow forth into the world around us as well. I am sure you can intuit the critical role that compassionate affection plays in the nourishment process – it is the beginning and end of our journey. True love is the kernel of enduring strength at our core, the wind that lifts us, and the distant horizon towards which we fly. It is the cofactor for metabolizing healthy nourishment in every dimension of self and the sunlight that enables growth. It inspires change and supports us as we test our wings. Love then provides the courage to see ourselves and the world around us clearly, and envision a future appropriate to who we really are. In the end, it is only through love that we can grasp the importance of the life we choose to live, or measure the real worth of our triumphs."

My understanding of love-consciousness, values hierarchies, the golden intention and so on continue to be transformed by the integralizing filters of discernment, a neutral holding field, flexible processing space and [multidialectical processing](#). I believe it has been through this growth curve that I eventually arrived at the book Political Economy and the Unitive Principle, where the importance of collective moral development in enabling the capacities and durability of civil society becomes so pronounced. Here again, all of this remains dependent upon individual commitment to self-nourishment and loving intentionality that expresses the "unitive principle" of love. As I wrote there:

"Is it the natural maturation of a more sophisticated and far-seeing self-interest that inspires a unitive vision? Is it an inevitable evolutionary refinement in social relations? Is it an arbitrary hiccup in the development of the brain that provides some adaptive advantage? Is it evidence of a divine imprint on the human psyche, or part of what Sri Aurobindo called "supramentalisation," the ongoing descent of the divine into the material plane? I have my suspicions, but of course I don't know the answer. I have just observed it over and over again: the unitive principle appears to be firmly embedded in holistic nourishment and [moral creativity](#) as a function of natural maturation and growth, with continuously humanizing, harmonizing and liberating effects. And this why I believe transformative, all-encompassing love-consciousness should become our guiding intentionality for everything, including models of political economy, because this kind of skillfully compassionate affection has proven itself to be the most constructive force available to us."

Also of interest is Paulo Freire's [pedagogy of love](#), which closely aligns with the developmental and motivational basis of the *unitive principle* — as well as its expression in praxis.





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## Superagency without Moral Development or Civic Accountability

(Excerpted from [Escaping the Failures of Capitalism](#))

Any new, more progressive system will fail unless we accelerate our individual and collective moral evolution to embody a more inclusive, collaborative, equitable and compassionate meta-ethical framework. This is in contrast to our current system, which reinforces ethical regression. History demonstrates time and again that civic institutions must operate from principles at the same level moral maturity as the electorate, because whenever they attempt to exceed that level, they ultimately become ineffective, corrupt or collapse entirely. And because state capitalism has endeavored for so long to infantilize consumers into perpetual dependency, selfless and compassionate participation in government and the democratic process has waned proportionately. But we can no longer remain children. For one thing, we now employ technologies that demand a more adult perspective and unshakable commitment to use them responsibly. Consider the damage oil leaks and spills have caused around the globe – in Alaska, the Gulf of Mexico, the Niger Delta, the Kolva River, the Persian Gulf, the English Channel, Alberta's tar sands, and the Bay of Campeche – almost always as the result of disregarding safe drilling practices, or to save money in the cost of transport or production, or get oil to market more quickly. And as each wave of new technological innovations arrives in the petroleum industry, such greedy proclivities are further enabled, and the scope of pollution and destruction expands. Until relatively recently, it wasn't

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economically feasible to frack natural gas out of the ground. New technologies made that possible, just as they make deep sea drilling more accessible, or tar sands extraction more profitable, and so on. And although the correlation with increased risks to aquifers, wildlife, and indeed human health become more evident with each passing day, the horrific damage continues.

And this is the trend of increasing technological sophistication and destructive capability, without concurrent moral and civic evolution, in all sorts of instances. So, for example, TEPCO's various efforts to cover up the intensity of radiation leakage at Fukushima reveal a self-protective immaturity that disregards the well-being of others, an immaturity which has been echoed by the Japanese government's collusion in concealing the deaths of Fukushima workers and the radiation health risks of foods grown nearby. These are the behaviors of naughty children who vociferously deny wrongdoing to avoid punishment and save face; it is despicable, but it is predictable in the morally immature. In Russia we have witnessed an insecure, paranoid, megalomaniacal dictator rise to power and keep it for over a decade, testing the political, economic and indeed geographical boundaries of the world community at every turn like a petulant teenager. And yet, again embodying the whims of a rebellious, self-important child, Vladimir Putin won't let anyone take away his precious nuclear toys. After all, Russia must regain its former glory as a world power, and part of that status means retaining a nuclear stockpile that rivals that of the U.S. Shockingly, a majority of the Russian electorate seems content to let Putin perpetuate his megalomaniacal farce, if only to feel less of a sting over the failure of the U.S.S.R. Again...this is predictable behavior of the morally immature, in this case involving technology that can annihilate life on Earth several times over. And no one could doubt the childishness of the Bush administration's pursuit and execution of the Iraq war – lying about Saddam Hussein's WMDs as a pretext for invasion, mishandling the reconstruction with billion\$ in no-bid contracts for Dick Cheney's buddies at Halliburton, ignoring the concerns and counsel of world allies, etc. Subsequently, the Iraq War played out like a gang of wealthy schoolyard bullies trying out their newest lethal gadgets on the poor part of town – a trend that has, unfortunately, continued under the Obama administration's drone attacks. And yes, the American people bear responsibility for electing and reelecting into office such infantile, brutish insanity, which of course speaks to the dearth of moral development of the U.S. electorate across both dominant political parties.

We could continue along these lines by illustrating how various industries - pharmaceuticals, agriculture, biotech, tobacco, etc. – have all demonstrated wanton disregard for our collective well-being and the stability of planetary ecosystems by developing dangerous technologies, then recklessly deploying and marketing them for the sake of increased shareholder wealth. Why are genetically modified organisms allowed to reproduce in the wild? Why are insecticides that decimate bee populations still being used? How have toys produced in China been allowed to contain heavy metals or plasticizing chemicals that endanger children everywhere? How did electronic cigarettes become available without health regulation? All of this points to the same mechanism: technological innovation that has moved faster than humanity's moral development. And so this begs the question of how to inspire moral development itself, so that our species can catch up with its scientific prowess. As a developmental issue, this is simply about emphasis: we have become quite adept at training and improving our analytical capacities, and even our physical capacities, but we have not applied the same vigor and rigor to our emotional development, social development, spiritual potential and so forth. This lopsided emphasis is one of the imbalances that [Integral Lifework](#) seeks to remedy.



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# Level - 7

## Tools For A New Political Economy

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## Community Coregroups

Many thinkers and writers have proposed alternative political economies that depend on an advanced (and often ever-advancing) level of moral maturity, critical thinking capacity, and general education to function. To be persuaded by conscience, to navigate complex and multidimensional truths, to be free of reflexive groupthink and tribalistic loyalties...all of this requires not only refinement of thought and exposure to a wide range of competing ideas, but also a supportive environment and interpersonal relationships to learn, grow and exchange ideas.

I outline one way to create such an environment - the Coregroup - below.

What would be the curriculum of such Coregroups? Clearly some of the philosophical, historical, developmental, **evidence-based** approaches discussed in this website need to be part of that mix. But does Level 7 (or the "Integral Lifework" framework) need to be included? Not necessarily. But genuine facts — facts that counter neoliberal propaganda and the destructive delusions of market fundamentalism — do require prioritization. More

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importantly, however, the essence of the Coregroup is its reliance on nonviolent communication, open dialogue, and sincere inquisitiveness to arrive at collective insight and mutual support of more sophisticated moral values. Coregroups are participatory in nature, rather than dogmatic or pedantic...*and that is the key to their success around voluntary efforts to actualize egalitarian principles.* In combination with the [pilot principle](#), [revolutionary integrity](#), and a [multi-pronged approach to activism](#), the Coregroup can generate effective seeds for collective change within communities, organizations and institutions.

Why is the Coregroup a basic building block in Level 7 proposals? Because in addition to creating a participatory process, Coregroups are about building trust and relationship within a given community. The assumption here is that there are two ways of approaching consensus, cooperation and contribution in any civil society: 1) We can create rules and institutions that “inculcate, coordinate and enforce” collective agreements within a more legalistic quid-pro-quo, or 2) We can rely upon a much older psychosocial phenomenon in human social organization: mutually supportive relationships where investment is more spontaneous, compassion-centric, and relational. In other words, rather than being persuaded to operate within the bounds of civic agreement because of a sense of duty, tradition or obligation, the Level 7 citizen is encouraged to contribute because they care about cultivating relationships with their fellow citizens; *where their civic engagement is an outgrowth of interpersonal engagement and social belonging.*

(Excerpted from [Being Well](#))

The basic idea of how these groups work has come from many years of teaching classes, leading discussions, and being involved with support groups of many different types. And although the idea is simple, it won't always come naturally, and may take some practice. What makes this approach so different is that it asks participants to follow a specific format, and provides guidelines of how to interact with each other in a group. The format and guidelines call upon us to be humble, compassionate and self-controlled in ways that may seem uncomfortable at first, but which really pay off in the long run in extraordinary ways.

The format of the group is a combination of guided discussion and meditation. The “Guide” can be anyone, and in fact I encourage that role to rotate among all members of the group, with a new Guide for each session. If it's a newly established group, anyone can be a Guide. With an established group, participants should attend at least four sessions before volunteering for the role of Guide. The Guide's responsibility is to offer up the discussion questions, allow everyone in the group to participate, to remind people of guidelines if they forget them, and to follow the format below as closely as possible. The Guide doesn't answer the questions or comment on them, but encourages everyone else to do so and keeps the discussion going. The ideal Integral Coregroup size is between six and twelve people, and the format of each session goes like this:

- Everyone is given time to find a seat, take some refreshment if that is offered, and visit a little with each other. This might be for ten minutes or so.
- The Guide then invites people to “check in.” This gives everyone an opportunity to share their name (just their first name or however they would like to be addressed), what is going on in their lives right now, any brief

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announcements they would like to make about upcoming events or resources they think the group would be interested in, and why they have come to this particular session. The check-in should take another fifteen minutes or so.

- The Guide then introduces the topic for the session – which all of the questions will relate to in some way – and then briefly covers the guidelines for participation (outlined below), including the 90-minute time limit.
- The Guide then starts the session by inviting everyone to take a moment of silence together to set their intention for the following hour. That intention is an inner commitment to “the good of All,” however each person feels this in their heart. This is sort of a prayer or meditation that projects goodwill and loving kindness from each person in the group towards everyone else in the group. This might just be a feeling of goodwill and love, or it might be words spoken silently that set our intention. An example of this would be: “May Love and Light arise in me today, and in everyone else here, so that whatever is healing, strengthening and nourishing can radiate through each of us into the world at large.”
- After a minute or two, the Guide indicates that the discussion is beginning. The Guide then asks the first question and leads the group in a minute or two of silent introspection in response to the question. The Guide then invites people to share whatever answers (or additional questions) they have found within themselves. Every person who guides will have a different style of encouraging this sharing. Perhaps they will offer additional questions about each question that is asked. But whatever they do, they must walk a fine line between inviting and encouraging discussion, and pressuring people who aren’t ready to participate. In a well-established group of people who already know each other, discussion will likely unfold naturally and easily. In a new group, some people may understandably be hesitant or shy.
- Whenever someone responds to a question, the Guide will thank them for their thoughts – without judging or evaluating what they have said – and then ask other people to add their own contributions. If someone is taking much more time than others in the group, or interrupting others, or for some reason isn’t able to follow the guidelines below, then it is the Guide’s responsibility to gently and compassionately help them understand this. Hopefully, though, the Guide’s main focus can be to create an inviting space for everyone to contribute. The Guide does not contribute any answers to the questions while they are guiding.
- If participants do have questions about the topic or the questions being asked, the Guide will redirect them to the rest of the group for answers. The Guide is not an authority here – in fact there are no authorities. There are only hearts, minds and souls seeking within themselves for answers. If someone has need of specific resources (introductory materials on the concepts of Integral Lifework, the services of an Integral Lifework practitioner, other resources, etc.), the more established or well-versed members of the group may encourage them to seek those resources outside of the group, but Integral Coregroups are not intended to be a marketing or networking opportunity for professional services.
- When the session reaches the 90-minute mark, the Guide then reminds people of the time limit, thanks everyone for their participation, and then wraps up the topical discussion for that session. At this point, anyone who wants to stay to discuss business items can stay, and anyone who wants to leave can leave. This is a good

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time to have a ten minute break before beginning the business portion of the session.

- After everyone has settled back down, the Guide reminds people of any old business that needs to be addressed, of new business that needs to be decided upon, and invites people to bring up any new business items. This part of the session is often about logistics – who will Guide the next session, where to meet, what time the session will occur, who might need help with transportation, etc. It also might include discussion about social get-togethers, like potlucks, walks in Nature or other group activities. This part of the session should take no more than a half hour, so that the total Integral Coregroup session does not exceed two-and-a-half hours. Some simplified version of “Robert’s Rules of Order” can be helpful for the business portion of the meeting, but groups can come up with their own way of doing business – whatever works!

You can see how the Guide has a lot of responsibility for helping the session be supportive and enriching. People with different personalities and strengths will have different approaches to guiding, but the intent is always the same: to empower the participants. Of course, the Guide isn’t alone in this. Each participant should also commit to helping each session be as successful as possible by following guidelines below. Because everyone will have the opportunity to become Guides themselves, that will help the group members build skills to support each other.

So here are the guidelines for participation, which are the foundation of the Integral Coregroup itself, and in many ways more important than the Guide’s role:

- **Avoiding crosstalk.** Participants may be inspired to share something in response to something another member says. However, there are no right or wrong answers to most questions. There is also no need to correct someone else’s misunderstanding...unless they themselves ask for clarification. Thus all answers and questions should be directed to the group as a whole, not specific people, and participants should refrain from reacting to what someone else shares – other than perhaps echoing the Guide’s appreciation and thanks for that sharing. For example, I might say “I appreciate what s/he just said, because it resonates strongly with something I also feel...” Participants should be very careful not to speak directly to other members of the group during the session, but speak to everyone as a group. Each person should feel safe and supported in sharing whatever they like, as long as that sharing follows the other guidelines below.

- **Appreciating diversity.** Participants are to be as accepting as possible of all types of people, and all points of view, within the Integral Coregroup session. If everyone thought and felt exactly the same way about everything, these groups would not be very enriching...or very interesting! Even when someone says something we think is appalling or offensive, we must train our heart to be compassionate and understanding, rather than judgmental or hostile. We might offer an alternate point of view to the group, but we must recognize that whenever this starts a back-and-forth between two or more participants, things can quickly turn into a debate. And that is not what Integral Coregroups are about. They are about sharing from our heart, then letting go. About listening from the heart, and letting that go, too. If we are in doubt about how to process what someone has shared, we should take a moment to close our eyes, breathe deeply and see past their words into the heart of the person speaking them. After all, that heart is just like ours, with all its pain, grief and joy.

- **Nonviolent speech.** The idea that things we say can hurt each other is not a revolutionary idea. But to create a safe and inviting place for people to share themselves openly, we must be especially careful with the words we use. Speech that expresses prejudice, hatred or disdain is not helpful. Speech that makes us right and someone else wrong is not helpful – especially because the real truth usually lies somewhere in the middle anyway. Words that belittle or embarrass others do not encourage openness. We may have feelings of anger over something being discussed, but in this group, such feelings should never translate into yelling at someone, or calling them nasty names, or putting someone down because they believe or think a certain way. Whenever we feel a strong reaction rising up that we can't control, and that we suspect will disrupt the harmony of the group, we should excuse ourselves from the group for a few minutes to be alone and regain our composure, then return when we are ready.

- **Compassionate silence.** Sometimes a certain topic or question may uncover a well of painful memories and emotions in one or more members of the group. But participants should commit to letting that pain be expressed without trying to comfort or rescue the person in pain. And when I am the person feeling pain – even if I am crying my heart out – I should also not expect other participants to comfort me or change my emotional state. I should not expect anyone to reach out to me, or try to make me feel better. Practicing “compassionate silence” means that the group accepts the pain of one person and allows it to just be. No actions need to be taken. No one needs to respond at all, other than the Guide who will express gratitude for the sharing, and perhaps create some extra time between questions to allow someone who is upset to recover their composure. If someone is so upset they must excuse themselves, the discussion should move forward without them.

- **Guiding the Guide.** Sometimes an inexperienced Guide may flounder a bit in their new role. But that's okay. Other participants with more experience can always offer the Guide the benefit of that experience, and raise a hand in the meeting to clarify a point about guiding (something about discussion format or protocol, reminding the Guide of something they may have forgotten, helping them manage a participant who is challenging the guidelines, etc.). Since everyone will have a chance to take on this role, being a Guide is really a shared responsibility for everyone in the group. However, it is important that each person find their own way into a style of Guiding that works best for them, so participants should only consider “guiding the Guide” when things are getting really off-track.

- **Speaking from the depths.** Participants should take the opportunity provided after each question to look deeply into themselves for answers, trusting that there is deep wisdom within them. Then, when they speak, they should offer that insight as honestly and simply as possible, without feeling a need to explain or excuse it along the way. Sharing might be a story, an experience, an insight, or a raw emotional confession. Whatever arises in response to a question can be a powerful support to others in the group, so there is no reason to hide it away, and every reason to share it.

- **Equal time.** Everyone should be allowed equal time to share. Sometimes, especially with newly formed groups or when someone new joins an established group, one or two people can end up dominating the discussion without meaning to. Some people may find it easier to speak in a group, or hold stronger opinions about a certain topic, or feel a stronger need to make themselves heard. At these times, it is the responsibility of the Guide to remind everyone of the equal time guideline, and, if necessary, ask particularly vocal participants to

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allow others more of an opportunity to share. When offered in a nonjudgmental spirit of kindness, gentleness and warmth, this reminder is usually enough to help even the most talkative person become more generous.

- **Privacy.** All participants commit to keeping what they learn about each other within the group. As tempting as it might be to blog about something, or share it with a friend, or even bring it up with the person who shared after the group is over, it is very important that all participants refrain from doing this. For sharing to be honest and safe, no one should feel like they will be gossiped about or confronted after the session has concluded. Of course there would be exceptions if someone has threatened to harm themselves or someone else, or to engage in dangerous criminal activity, in which case it may become necessary to involve professional resources that can intervene or encourage participants to seek professional help. While Integral Coregroups are intended to be healing and transformative, they are not meant to become a primary resource for someone in crisis, someone on the verge of committing a crime, or someone in need of intensive personal therapy.

What about people who just don't want to follow these guidelines? At one extreme, there may be people who may want to remain silent and not participate at all. At the other extreme, perhaps there are folks who can't help being disruptive or hostile during their participation. And then there are those who just keep forgetting about one guideline or other. Since this whole process may be very new and different to people, it is important to be patient. It may take a lot of time and many gentle reminders to create an Integral Coregroup that operates smoothly. Then again, there may come a point where one person's inability to follow Integral Coregroup guidelines becomes increasingly destructive to the group as a whole. At this point, if it is the consensus of the group, it may become necessary to ask the disruptive person to leave the group if they are unable to change their behavior. A conversation with the uncooperative person should be conducted privately, quietly and compassionately, with clear expectations about what needs to change and why. Whatever the outcome, it should be for the good of everyone involved.

There are many other issues that will arise over the course of Community Coregroups that are not addressed here, but these guidelines and definitions can get you started. *I hope to offer additional resources on this website in the future for creating, coordinating and finding local Coregroups.*



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## **The Goldilocks Zone of Integral Liberty: A Proposed Method of Differentiating Verifiable Free Will from Countervailing Illusions of Freedom**

*by T.Collins Logan*

“The basis of a democratic state is liberty; which, according to the common opinion of men, can only be enjoyed in such a state; this they affirm to be the great end of every democracy. One principle of liberty is for all to rule and be ruled in turn, and indeed democratic justice is the application of numerical not proportionate equality; whence it follows that the majority must be supreme, and that whatever the majority approve must be the end and the just. Every citizen, it is said, must have equality, and therefore in a democracy the poor have more power than the rich, because there are more of them, and the will of the majority is supreme. This, then, is one note of liberty which all democrats affirm to be the principle of their state. Another is that a man should live as he likes. This, they say, is the privilege of a freeman, since, on the other hand, not to live as a man likes is the mark of a slave. This is the second characteristic of democracy, whence has arisen the claim of men to be ruled by none, if possible, or, if this is impossible, to rule and be ruled in turns; and so it contributes to the freedom based upon equality.”

Aristotle, *Politics*, Book VI, Part II (trans. Benjamin Jowett)



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The objectives of this paper are to outline what “verifiable free will” might be, what it isn’t, and some of the criteria with which we can go about making assessments. Why would we want to do this? In part because of a seeming prevalence of confusion around individual and collective liberty among both popular sentiment and academic discourse, and a perceived need for evaluation metrics that can inform our thinking about this topic and, potentially, approaches to future research regarding individual sovereignty and free will in general, as well as the formation of new practices, policies and experimental pilots. Too often such discussion finds itself mired in ideological assumptions and philosophical syntax that have little basis in observable evidence, and consequently are closed to multidialectical analysis, exploration of revised conceptions, or incorporation of existing alternative perspectives and approaches. This is one reason I have chosen to paint “free will,” “freedom,” “liberty,” “autonomy” and “individual sovereignty” with the same brush, because all of these terms have been used or abused to a similar degree in course of various arguments over time, and all of them deserve to be liberated from lingering distortions.

Why the “Goldilocks Zone?” Because a thriving of liberty is dependent upon specific conditions; it is not a pre-existing state, but an evolutionary one. And the conditions that foster freedom are quite similar in many of their characteristics to the conditions that foster the evolution and sustaining of life itself, occupying a narrow field of parameters that, when they become either exaggerated or constrained, abruptly cancel out the possibility of progress and indeed threaten annihilation to liberty itself. The Goldilocks Zone analogy emphasizes the tenuousness of the proposition of authentic liberty, the necessity for our individual and collective conscious participation in the formulation and execution of free will, and the ease with which it can be lost. In previous work I have described this generative conditionality as an “optimal range of function” or “the fulcrum’s plane,”<sup>1</sup> without which any number of essential factors of human well-being are either improbable or impossible. As it turns out, authentic freedom is just one more essential factor that falls neatly into this qualitative and quantitative band of dependencies.



## What is Free Will?

First we require a working definition for “verifiable free will,” one that allows us a modicum of flexibility and clarity in defining its key factors, as well as the possibility of empirical validation. Here is what I would propose:

*Free will is a synthesis of the subjective felt experience of free will, the intersubjective social agreements that ensure it, the interobjective systems and conditions that facilitate self-determinant choices and activities, participatory mechanisms that support and moderate these factors in the most diffused and egalitarian ways, and objective metrics for all of these factors that continually assess their efficacy and contribute to an ongoing synthesis.*

To better define the key factors of a synthesis of integral liberty:

1. *Subjective felt experience of free will* as individual sovereignty over choices from moment-to-moment, as well as regarding future plans, as observed in the energization and active expression of four primary drives (*to exist, to express, to affect, and to adapt*).
2. Ongoing, constantly renewed and reinforced *intersubjective social agreement* that individual sovereignty should be collectively supported and maximized, acknowledging that without such agreement and intent, individual sovereignty will inevitably be either compromised, interfered with, or entirely inaccessible. Further, there should be ongoing communal engagement and dialectic around this agreement and its characteristics; this is a dynamic rather than static process, and would need to be customized to unique variables at cultural and community levels.



3. *Interobjective systems, conditions and artifacts* that foster the felt experience of individual sovereignty and ongoing *intersubjective social agreement*. Although still malleable and customizable, there would likely be little debate about these universal processes, and they would have cross-cultural value and representation as relatively static features and functions of society. Thus these become social objects, systems, artifacts and conditions that relate to each other and society in fixed ways, rather than via dialogical dynamics between individuals and groups.
4. *Participatory mechanisms with built-in accountability* for supporting, enriching, moderating and promoting all other factors in the most egalitarian, diffused and distributed fashion. These could include distributed, daily direct democracy; Open Source initiatives and petitions; regular community meetings and online forums; participatory economics; worker-owned cooperatives; community management of banks and land; as well as civic lotteries for citizen commissions and all levels of polycentric governance networks.
5. *Objective metrics* employed at frequent and regular intervals for all of these factors to assess their ongoing efficacy in generating the greatest authentic liberty, for the greatest number, for the greatest duration.

As all this builds to a conception of what I have christened *integral liberty*, so I should give credit where credit is due. Those familiar with Ken Wilber's AQAL proposals will recognize approximations of his four quadrants in the descriptions of these key factors. A Wilberian organization was not my deliberate aim when writing this paper; on the contrary, I was quite surprised to find all of the considerations I had ferreted out falling so neatly into the AQAL quadrants. But there it is – Wilber's proposals seem to work quite well in this instance, though how I have utilized them to organize information may not be what he might intend for this topic. Another caveat I would raise is that the boundaries of key factor



categories are rather fuzzy, tending to interweave or interject themselves into each other to such a degree that firm AQAL delineations become less helpful. But as overlapping, interdependent and interpenetrating semantic containers, they can still add clarity as placeholders for further discussion.



## Subjective Felt Experience

*Subjective felt experience of free will* as individual sovereignty over choices from moment-to-moment, as well as regarding future plans, as observed in the energization and active expression of four primary drives (*to exist, to express, to affect, and to adapt*).

The first factor, *subjective felt experience of free will*, has a specific connotation in this context. To fully define and appreciate that experience would be a substantive undertaking in itself, but thankfully some viable approaches to conscious will have already been accomplished by others. Daniel M. Wegner's work explores the concept in detail and provides an excellent outline of the phenomenon. From Wegner's *The Illusion of Conscious Will* (2002): "Apparent mental causation suggests that the experience of consciously willing an act is merely a humble estimate of the causal efficacy of the person's thoughts in producing the action." (p. 336) In other words, conscious will is what appears to us, subjectively, as a causal relationship between what we conceive and intend, and what actually occurs. But Wegner clarifies that "people experience conscious will quite independently of any actual causal connection between their thoughts and their actions." (p. 64) He then provides a wealth of evidence to support the theory of apparent mental causation. This tentative relationship between what we perceive as our own agency and what actually occurs is an essential differentiation, because it points us to supportive social frameworks and environmental conditions *without which the subjective felt experience of free will would be that much more fallible and elusive*.

But what constitutes the subjective felt experience of "free" will? It would follow from Wegner's work that this would simply mean that we *perceive* our causal efficacy to be unconstrained; we both anticipate and routinely confirm that our individual agency is not systematically impeded by other forces or factors, and we can observe an ubiquity of the same conditions for others. As an inevitable feature



of existence, we of course recognize that there are natural/physical, societal/ethical, relational/moral and situational/conditional boundaries to our own agency – this is what every three-year-old must begin to learn – but we willingly adopt these constraints and obligations as a matter of our empathic, compassionate and prosocial integration with the rest of humanity. These are the reciprocal, mutually beneficial boundaries that allow free will to flourish for everyone in society – rather than a yoke imposed by forceful, coercive oppression – and we will discuss how these concepts are embedded in political obligation more thoroughly in a moment.

But what does this “free will” feel like? How can we recognize it? This is where four primary drives handily come in, as they can define the *interior* components of our will even as they describe its *exterior* expressions. As proposed in Integral Lifework, these drives include:

***To exist.*** In a subjective sense, this constitutes our awareness of the self as an apparently independent consciousness, physical organism and force of will that experiences and interacts with the other consciousnesses, organisms and forces within its environment. As that awareness evolves, it will change in quality and scope, and its relationship to everything else will change as well. Ultimately, if we become aware of the essential Self – as a unitive, undifferentiated experience of All-Being – this will tend to obliterate previous egoic conceptions of individual identity. However, this does not mean that such previous conceptions and experiences are less important, or that they do not persist in some form throughout higher states. The point is that in all such progressions, *existence* is an a priori assessment of the condition we inhabit...even if we question the foundations of that existence (i.e. the nature of perceived reality) or regard our experiences as tenuous, compartmentalized, or incomplete.

So then, what does the “freedom to exist” look and feel like? Is it the freedom from existential threats? The freedom from persisting fears of such threats? To have some fundamental confidence that, when the sun rises tomorrow, we will awaken



to a new day in which our continued existence is assured? In this first component of liberty, all that is really required is the *subjective perception* that most conditions like these are true. There may be additional benefit in our existence-affirming judgment being rationally derived, but that may not be necessary; this is more a matter of personal belief. If I *believe* I am free to exist – free from immanent harm or annihilation – then perhaps this is enough, at least for this first factor of *subjective felt experience*.

**To express.** Speech, gestures, body language, laughter, creativity, artistry, communication, craft – all of these and more involve *expression*. Here again, do I *believe* that I have freedom to express myself in various ways? If I do, then perhaps that is sufficient. If I exercise my self-expression and nothing overtly antagonistic happens as a consequence, then I will perceive my self-expression as free and unfettered. It should be noted that this sense of expressive freedom is not really rewarded except intrinsically; like existence itself, the mere fact that I can express myself however I wish – as long as it does not interfere with the primary drives of others – is the primary benefit and privilege this freedom affords.

**To effect.** This component differs from the other three in that it evidences through influencing or altering other consciousnesses, organisms and forces within our environment. It is of course intimately tied to the other three, in that it acts as a mirror of our *existing, expressing and adapting*; it offers us proof that these conditions are real and confirms our self-efficacy. This is not insignificant, but it leads to the central conundrum of individual sovereignty: what are the boundaries of personal freedom? When must I voluntarily reign in my *effect* on others, so that their liberty is not impeded? And how can I best calculate such boundaries, especially if I am ignorant of the extent of some *effect* that I produce – if there are unintended consequences to my actions? This is something we will need to address, but for now we can at least posit that if there is *a certain degree of effect* that is observable from what I will to happen, then I can experience the feedback loop of this freedom and have it subjectively affirmed. Interestingly, there will also



be moments of magical thinking, where an individual perceives an *effect* that they believe is of their making, but which really isn't caused by them. Even this may contribute to the perception of free will. But for now, we can at least say that whenever we look upon what we have accomplished, and feel a sense of affirming satisfaction, it is the regularity and extent of this feeling that enriches and confirms our liberty to ourselves.

***To adapt.*** Can I change and grow? Can I learn and apply my knowledge to new situations? Can I explore the boundaries of my volition, knowledge, self-expression and effects on my environment, so that I maximize my individual sovereignty and the subjective felt experience of liberty? Can I evolve, and observe real benefits of that evolution? If these opportunities are afforded me without arbitrary restrictions, then my ability to *adapt* is confirmed, and my freedom is complete. This is the final component of the subjective felt experience of free will because it relies on the other three components to define and generate itself, just as *adaptation* also facilitates those other three. As a small child learns how to safely thrive within its environment, it constantly collects knowledge and techniques to *adapt*, so that it can *exist*, *express* and *effect* to its heart's content within the dynamics of each new situation.

So this is what I would propose the *subjective felt experience of free will* looks and feels like. It should be noted that a persisting theme in human history has been the deliberate attempt, by those who have the greatest power and influence in society, to generate these felt experiences in those who are to be ruled. This is the nature of "bread and circuses" and the engineering of a distracting spectacle for the masses. For if I *believe* that I am free – if I experience even a close approximation of empowerment and liberty in *existing*, *expressing*, *effecting* and *adapting* – then I just might overlook any subtle constraints or interference that carefully boundarize my will. This is one way countervailing illusions of freedom are created and maintained.



Even in modern democracies we find this dynamic in play. In the U.S., for example, we are provided democracy as a pressure relief valve for collective aspirations and dissatisfactions; we vote, believing that who and what we vote for will accurately represent our desires and intentions as operationalized by our government. But then the legislation supported by the people is not enforced, the politicians who win elections do not follow through on their campaign promises, and the issues so hotly debated during those elections receive little more than lip service until the next election cycle. Meanwhile, those who can afford to lobby elected officials every day of the year, who can entice the rising stars of politics with opulent campaign war chests, and who either own most mass media themselves, or can pay for constant promotion of their agenda through that media, craft a constant quid-pro-quo in democratic government – so that government expresses their will rather than the electorate’s. Occasionally there is a victory for the people, and a sense that democratic will is being expressed and our primary drives satisfied – but we might call this “playing the freedom lottery,” in that the partial reinforcement is barely sufficient to keep the electorate coming back for more.

And of course the same is true in supposed “free market” economies, where vast monopolies control what is available for consumption while funding massive marketing campaigns to invent artificial demand, insuring which goods are perceived as most desirable. And while the introduction of enticing or disruptive new technologies and products may, for a time, create price-elastic demand, eventually price-elasticity settles into a predictable range as both production and engineered dependency rigidify. It is only because capitalist enterprises and economies are growth-dependent that resource scarcity even comes into play – as corporations continue to create artificial demand and spur consumption, the pressures on availability of cheap labor and raw materials are likewise artificially exaggerated. In such an environment, innovation is just a means of restarting the clock until a given industry arrives at a price-inelastic demand once more.



If that particular price-inelastic landscape isn't desirable or sustainable, innovation isn't the only method of upsetting the apple cart. At some point it might also become advantageous to, say, capitalize on a debt crisis, or an armed conflict, or a market failure, or terrorist threats, or any number of other mechanisms that can help reset the growth curve with some new flavor of scarcity or reshaped demand. And whether it is calamity or invention that is inspiring opportunity, it is corporations who mold that opportunity into market forces to serve their ends, under the tremendous pressures of the very expectations they create. In other words, the "freedom" of capitalist markets is as much of a countervailing illusion as U.S. democracy representing the will of the people.

I wanted to touch on these realities briefly, though they would require much more attention to fully develop. But my point is that the perception of how our four primary drives are fulfilled will influence how "free" we believe we are – and that this perception is equally important to both authentic, integral liberty and its counterfeits.

### ***Are Conventional Conceptions of "Negative Liberty" Sufficient?***

In a word, no. Both the conventional presentation of negative liberty and its representations in classical liberalism are not sufficient for the subjective felt experience of personal freedom – at least not for everyone in society, and that is our aim. In the common parlance of contemporary political discourse, negative liberty mainly represents a formal ideal of non-interference, and one which is too far abstracted from real-world conditions to result in the *actual* subjectively felt experience of unfettered individual agency. This is fairly easy to demonstrate. If I am left manacled in a prison cell, chained to a wall with no food or water, completely unable to alter my current situation, and with no prospect of relief, I am still free to think and say anything I like. I have absolute freedom of thought and speech, but I do not have freedom of movement, and eventually I will starve to death. In this



sense, then, I only have *partial and temporary* negative liberty. To remedy this partiality, I will need to be set free from prison, have my manacles removed, and have access to food and water. All right then, let's say I'm set free.

I now have freedom of movement. Unfortunately, in my current half-clothed, filthy, half-starved condition, I still do not have access to food and water, and because I am fresh out of prison, *I also don't have the supportive means to procure it*. I have no employment, no lodging, no property...nothing at all that I can trade for sustenance. And if I live in a society that advocates private ownership of most of the resources around me, then my lack of supportive means definitively results in *an inability for me to alter my condition*. My only recourse would be to either beg charity from my fellows, or steal what I need to survive. Some might argue that I could simply find employment and thereby earn my way out of deprivation, thus recovering my ability to exercise freedom, but such a proposition indicates a glaring lack of personal experience with abject poverty. Why? Because my current condition is desperate – I am weak from hunger and barely clothed, and even if I were to gain immediate employment, I certainly will not have the physical and mental energy or stamina to work hard enough or think clearly enough to succeed at any task for more than a short time. These conditions continue to indicate that I lack the supportive means to alter my situation, *even though no one is actively interfering with my freedom to pursue such means*. Thus a lack of basic supportive means equates interference with liberty, regardless of my abilities or intentions.

This is, I suspect, why proponents of “positive” liberty have had significant practical problems with classical liberal conceptions of negative liberty; it tends to remain *partial and temporary* even when some supportive circumstances are improved. In this example, I have freedom of thought, freedom of speech, freedom of movement, freedom to advance my condition, and zero interference from anyone else to remedy my own plight. I have been afforded complete and unimpeded negative liberty by society. But I am not really free, because the socioeconomic conditions in which I find myself interfere with my fundamental opportunities to survive and



thrive; my physical and material deprivations effectively rob me of liberties available to others *who already have supportive means* (which, it should be noted, they may have earned themselves, or which may a gift of circumstance, social status, marriage, or family and friends). Thus without an equivalency of supportive means – in this case without equivalent access to food, clothing, shelter and employment – I will be unable to exercise freedoms available to everyone else, freedoms which those who may have obscured the fundamental nature of liberty will inevitably take for granted.

However – and this is a crucial point – the supportive means to maintain liberty are nearly always only granted to those who have reliable foundations for liberty, and (again in the real world) these foundations include more than simple physical health and basic material resources. To be truly equivalent, all people must have access to the same quality of education, the same ability to travel over distance, the same flexibility and availability of free time, the same assurance and quality of justice and collectively approved rule of law, the same quality of care for mental and physical health, and so on – such things clearly being *in addition* to the aforementioned freedom of thought, speech, movement and the minimum facilities of material and physical well-being. Without these foundations, aspirations to liberty are just desires without facility. In addition, for negative liberty to be effectively equivalent for all members of society, it must also be blind to cultural barriers created by social class, race, gender, age and indeed any stigmatizing characteristics that do not, in the actuality of a person’s day-to-day achievements and demonstrated potential, alter their abilities or performance. In other words, all people must also have access to the same freedom from prejudice.

The stark reality of anyone’s subjectively felt experience of individual freedom will be framed by all of these conditions; to ignore their significance is to misunderstand how liberty itself comes into being – how it is created and maintained by society, rather than magically endowed upon a lucky few who have access to plentiful resources, pursuing their intentions without the tremendous resistance and



competition experienced by the less fortunate. Misunderstanding this reality is a fundamental error of individualism, which views the world self-referentially, fixating over self-entitlement, self-reliance and the defense of egoic freedoms, without appreciating the relationships of that self to everyone and everything around it. By embracing a more interdependent perspective, we can give prudence to approaches that appreciate the dynamics of co-creative freedom, contextualizing the social self amid relationships with everyone else...and *everything* else (i.e. community, the environment, other polities, culture and history, and other levels of interaction not yet identified, etc.).

From the perspective of the poorest members of any market-based society, these foundations for liberty are often perceived as the perks of the affluent, as inaccessible as they are rare. From the perspective of the affluent members of that society, these foundations are frequently perceived as the natural consequences of one's focused effort and native intelligence. Both perspectives are flawed, because what is really at the heart of the disparity are societal expectations of private property and individual wealth accumulation in a commercial exchange economy, and the consequent capacity for individuals to transfer that property and wealth to whomever they choose – most often their own offspring, friends and peers, and members of like-minded affiliations. That is, to transfer the foundations of liberty to those of their choosing, resulting in the exclusion of those not chosen. I call this *the tyranny of private ownership*, and like all of the other conceptions discussed here, it too has also been collectively created and maintained by society.

In the case of modern State capitalism, we have a collective acceptance of a market-based economy – enabled by property laws, contracts and financial systems enforced by the State – in which assets may be accumulated without restraint, then fluidly translated into social advantage, political influence and legal power, also facilitated by the State. And while attempts to secure the foundations for liberty via the State (i.e. civil rights laws, socialized infrastructure and services, polices to counter discrimination, social welfare for the poor, democratic controls, etc.) have



had varying degrees of success, the amplification of supportive means that individual wealth accumulation and control over property affords has routinely either undermined or far exceeded these State-enforced efforts at equalization.

This is, in fact, how private ownership has become increasingly tyrannical, directly interfering with the liberty of anyone who does not have such accumulations of wealth or control over property. And as long as any society perpetuates such tyranny, the natural consequence will be that some individuals and their families will have ample foundations of liberty available to them, while the rest of society will not. As long as private property and individual wealth accumulation are central features of a given economy, that economy will inevitably tend towards feudalism – no matter how artfully disguised its feudalism may be in Constitutionally enshrined liberties – because of the corrosive force that concentrations of wealth inevitably produce.

Thus the formal concept of negative liberty must be contextualized in real-world experiences, experiences which point toward much broader, more egalitarian structures that support civil society, and a much more precise and multifaceted formula of intersubjective agreement, in order for freedom to exist at all. To clarify, I do not mean various levels of *ability* or *opportunity* to exercise freedom, *but the freedom itself*. In this sense I concur with G.A. Cohen’s evisceration of these differentiations with respect to wealth in his lecture, *Freedom and Money* (2001), where he artfully describes how “poverty demonstrably implies liability to interference.” As he writes:

“Consider those goods and services, be they privately or publicly provided, which are not provided without charge to all comers. Some of the public ones depend on special access rules (you won’t get a state hospital bed if you are judged to be healthy, or a place in secondary school if you are forty years old). But the private ones, and many of the public ones, are inaccessible save through money: giving money is both necessary for getting them, and, indeed, sufficient for getting them, if



they are on sale. If you attempt access to them in the absence of money, then you will be prey to interference.”

I am simply extending this logic to include additional variables beyond wealth that have precisely the same impact on freedom – that is, as Cohen might phrase it, their “whole point...is to extinguish interference.” For the practical purposes of ensuring *actual* freedom that avoids *actual* domination, the ideal must be reconciled with the real. If my subjective experience is that my individual sovereignty is being wholly disrupted by conditions beyond my control – whether by the direct actions of others or a system in which the status quo indirectly oppresses me – then my subjective experience of unconstrained free will is effectively destroyed; I am dominated, enslaved and deprived of agency as a result of external factors. This may be difficult for proponents of traditional conceptions of negative liberty to accept or appreciate, especially if they are unable to see beyond their own privileges and status. But I think it long overdue for our society to take responsibility for the oppressive harm narrow conceptions of freedom ultimately impose on anyone who lacks appropriate foundations for liberty.

Now, does this mean that notions of “positive liberty” – that is, authorizing and enforcing conditions that allow everyone the same opportunity, means and ability to exercise free will – are somehow more comprehensive or correct? Not necessarily, because the aim of creating a level playing field can also impose constraints on unwilling parties, so that they subjectively feel coerced and oppressed. I think when advocates of positive liberty include interior freedoms, these are important considerations, and we will address them shortly. But the assumption that the power to self-actualize – the granting of the subjective experience of free will – should somehow be authoritatively enforced as an unqualified empowerment or entitlement is indeed a precarious, often paternalizing road, clearly having the potential to interfere with liberty. At the same time, if we focus only on negative liberty in terms of simplified conceptions of external interference, we are also likely



to neglect some of the more nuanced but persisting impedances to felt experiences of personal freedom.

Is there a way out of this seemingly polarizing maze? One pragmatic approach is, I suspect, to examine the concept of interference to a more exacting degree.

### ***What Substantive Interference Actually Looks Like***

Although generations have idealized Thoreau's pastoral solitude near Walden Pond, imagining an equally idyllic flavor of personal freedom and self-governance through his musings, his was not a life very many people are gifted the opportunity to live. That said, Thoreau's life and work – along with the ideas we have explored so far – hint at some of those nuanced but persisting interferences with individual sovereignty and liberty. First we should include Thoreau directly in our discussion by quoting him from "Life Without Principle" (1863):

"Perhaps I am more than usually jealous with respect to my freedom. I feel that my connection with and obligation to society are still very slight and transient. Those slight labors which afford me a livelihood, and by which it is allowed that I am to some extent serviceable to my contemporaries, are as yet commonly a pleasure to me, and I am not often reminded that they are a necessity. So far I am successful. But I foresee that if my wants should be much increased, the labor required to supply them would become a drudgery. If I should sell both my forenoons and afternoons to society, as most appear to do, I am sure that for me there would be nothing left worth living for. I trust that I shall never thus sell my birthright for a mess of pottage. I wish to suggest that a man may be very industrious, and yet not spend his time well. There is no more fatal blunderer than he who consumes the greater part of his life getting his living. All great enterprises are self-supporting. The poet, for instance, must sustain his body by his poetry, as a steam planing-mill feeds its boilers with the shavings it makes. You must get your living by loving. But as it is said of the merchants that ninety-seven in a hundred fail, so the life of men generally, tried by this standard, is a failure, and bankruptcy may be surely prophesied."



Thoreau goes on to say a great many things regarding freedom – that it should encompass political, moral and economic freedom, as well as the freedom of expressing ideas; he also implies that freedom from an overabundance of stale, dyspeptic and paltry ideas, and from idle amusement, are also desirable. In his social criticism, Thoreau consistently rejects a majority of societal, institutional and political expectations in favor of a richly developed individual interiority. It is that wealth of interior life that constitutes true freedom for him, along with ample time to pursue it. Perhaps most famously, in “Civil Disobedience” he makes a case for freedom of conscience to resist all unjust government, writing, “Let your life be a counter friction to stop the machine. What I have to do is to see, at any rate, that I do not lend myself to the wrong which I condemn.” Here again the self-determination of the individual becomes preeminent, and any expectation of the State is deemed unjust unless Thoreau has personally conceded it. In *Walden*, just to add a finer point, Thoreau also makes clear that freedom from owning furniture is also extremely important to him.

To follow Thoreau’s reasoning to its logical conclusion, we could propose that many elements of modernity consistently interrupt our individual freedoms. These include things like population density fueled by overpopulation and urbanization; excessive technology-dependence; fierce competition for resources and artificially maintained scarcity; ignorance unmitigated by education; egotistical arrogance promoted as a cultural norm; financial barriers to opportunity and risk-taking; the acquisitiveness and inequality excited by generations of private ownership; short-sightedness regarding externalities and a lack of appropriate caution; and so on. Extending our critical view of most societal institutions, traditions and expectations, the list could become quite extensive. We could further say that such interferences are either external in nature, or internal in nature but reinforced by external conditions, and that they could even be described as *variations of poverty*, in that they amplify deprivation of a rich interiority, and place boundaries on individual self-determination that have not been voluntarily conceded. Addressing these variations of poverty in some way would then seem the wisest course for



encouraging liberty for all – again because they directly affect the *subjective felt experience* of liberty for everyone who operates in the spirit of Thoreau’s musings regarding the freedoms of a simple but richly imagined life.

We can also approach this from another angle. Consider for a moment this quote from E.F. Schumacher’s *Small Is Beautiful* (1989 reissue, p. 208-209):

“The best aid to give is intellectual aid, a gift of useful knowledge. A gift of knowledge is infinitely preferable to a gift of material things. There are many reasons for this. Nothing becomes truly ‘one’s own’ except on the basis of some genuine effort or sacrifice. A gift of material goods can be appropriated by the recipient without effort or sacrifice; it therefore rarely becomes ‘his own’ and is all too frequently and easily treated as a mere windfall. A gift of intellectual goods, a gift of knowledge, is a very different matter...The gift of material goods makes people dependent, but the gift of knowledge makes them free – provided it is the right kind of knowledge, of course.”

Schumacher is referring to knowledge that helps people become self-sufficient – less dependent and more free – and this also speaks to the means and ability to exercise liberty, and the nature of interference. If I supply you with very inexpensive food that clouds your ability to think and enervates your motivation, I can appear to be generously removing one aspect of interference (access to basic sustenance) while amplifying a much more harmful type of interference (enervation and crippled judgment); I can rob Peter of quite a lot in order to pay Paul just a tiny bit. If I then make this cheap supply of fuzzy-brain food excessively convenient – available at practically every corner market and country store – while buying out local farms and seeding what few independent farms remain with some genetically patented crops I own...Well, all of this is okay because it is just “business as usual,” a justifiable strategy in service to cost-saving efficiencies that also, quite helpfully, thwart competition. It’s a win-win – despite the reality that now consumers no longer have access to fresh, nutritious, locally produced food, or to a healthy diet that promotes mental and physical energy, or to the knowledge of how to feed their family without my products.



Along similar lines, when tobacco companies spend millions on propaganda to persuade consumers that e-cigarettes are not only safer than traditional cigarettes, but can actually help people quit smoking, they may appear to be concerned about consumer health and liberating their own customers from dependency, when really their agenda is to enslave more nicotine addicts and increase profits. And so it goes. Share cropping, the truck system, wage slavery, the company store, sweat shops...since the beginning of the industrial revolution, these systems of exploitation and domination have been presented time and time again as *opportunities* – for gainful employment, self-betterment, liberation from poverty, or the possibility of self-sufficiency – when they were actually designed from the ground up to subjugate, subdue and enslave. And all of these situations are essentially “material gifts in lieu of knowledge;” the enticements of individualistic materialism in lieu of actual freedom. And how does this substitute freedom interfere with the real thing? By creating *artificial dependencies*.

In fact I would go so far as to assert such *artificial dependencies* are at the causal headwaters of nearly all antagonisms to authentic liberty, insidiously undermining its cultural and institutional foundations, and amplifying all manner of poverty. Why? Because they so often seek to constrain, discredit or obfuscate the knowledge that leads to self-sufficiency. There is even useful language that groups all such influences together into one semantic container: *the infantilization and/or toddlerization of adult human populations*. Although we may frequently become distracted by some of the agents that emerge further downstream, insisting that those instead are the real interferences to liberty, I think we can trace most of them back to these practiced patterns of manipulation.

Bear with me as I take a brief detour to illustrate this point:

**What is the dominant feature of successful commercialistic consumerism?**

The dominant feature is a specific psychology that consumers believe, at a fundamental and persistent level of self-concept, that they are helpless infants,



completely dependent on the goods and services being sold them in order to obtain happiness, social status, success in friendship and love, existential safety and security, physical health, skills and abilities, and so on. Every desirable quality of life is projected onto an external consumable, rather than modeled or taught to be internally generated. In this way, commercialistic consumerism supplants love, trust, personal responsibility and meaningful relationships with the soft, warm teat of its externalizing psychological dependence. In essence, the more a marketing campaign can successfully infantilize consumers, the more a company can rely on an ever-increasing dependency of those customers to bolster revenue. Thus such marketing campaigns will either appeal to the “lowest common denominator” perceptions of wants and needs – or create artificial wants and needs that are shiny and new – in order to induce more suckling.

### **Why do many conservatives dislike welfare programs and “the Nanny State?”**

Because, on the one hand, they see how overreliance on government programs can cause recipients to avoid personal responsibility, take advantage of benefits and dishonestly exploit those support systems. And, on the other hand, they see how bureaucratic regulation seems to treat individuals who may *want* to take personal responsibility or risks as if they were helpless babes in need of constant oversight, guidance and protection. In other words, they see how a large government bureaucracy that has become disconnected from the day-to-day realities of its citizens tends to infantilize or toddlerize those citizens into “lowest common denominator” recipients of goods and services.

**What is the prevailing driver of poverty and income inequality?** Using the same techniques of commercialistic consumerism to persuade and infantilize the general public, in concert with coopting the legal and political mechanisms of the State to serve their ends, the wealthy can place their self-serving agenda at the forefront of public discourse. This represents infantilization on two fronts: first, the plutocrats themselves display a remarkable fixation on their own self-gratification, promoting what will benefit themselves or their class to the exclusion of everyone else, with



little awareness or compassion regarding their negative impacts on others; and second, those who participate in fulfilling the plutocratic agenda – whether elected officials, naïve and uneducated voters, or bureaucrats reflexively fulfilling the letter of the law – are acting without sense, in impulsive reaction to the shiny baubles others have invented and placed in front of them, alternately fascinated by the movement of their own hands, or throwing a tantrum when they don't get their way.

**What is the prevailing force behind jihadi terrorism?** This terrorism is also primarily the result of infantilization and toddlerization. Terrorists self-infantilize when they view themselves mainly as victims of oppression, ostracization, marginalization and humiliation. When they objectify the engines of capitalist exploitation and the immorality of Western culture as “the Great Satan,” it is a magical projection of their own fears and inadequacies onto a Bogeyman in the closet, a classic feature of the toddler's narrative. At the same time, those corporate capitalist engines, and the excesses that often accompany commercialistic culture have, in fact, exploited and oppressed poor, uneducated, tribalistic cultures all around the globe for multiple generations, priming the pump for resentment and rebellion. The violent ideology of Islamist extremism (as differentiated from Islam) then becomes a helpful framework within which to both justify self-infantilization and act out against local and global infantilizers...but it is just a facilitator. It is not the source.

**What is the dominant ethos behind gun ownership and gun violence?** Well, it's fun to have toys. It's also fun to see what happens when I create action-at-a-distance – especially when it involves something moving or alive – and I don't have to reflect terribly much on the consequences. And when I'm afraid, or hungry, or tired, or angry...I can lash out, again without really considering or caring about how much damage I do. And, because there are certainly bad people in the world (although I have imagined far more of them than can be statistically validated), I can hide under my blanket with clenched fists and a lethal toy, in order to protect myself *and everything that's mine*. Sometimes, I also enjoy playing policeman, because that



makes me feel powerful and important in my own imagination, and because when someone does something I don't like, and can hurt them really badly. Then, when other people see how badly I can hurt someone with my big, lethal toy, they can become so afraid of me that they'll want to have big, lethal toys of their own. And, lastly but most importantly, if the Big Bad Wolf of my own government ever tries to take my toys away, I'll know they are really after my liberty, and I'll hold 'em off with my posse of gun-toting buddies. *What about these justifications for guns or gun violence isn't a toddlerized view of the world?* And of course such sentiments, beliefs and values are all encouraged by gun manufacturer propaganda and the lobbying of the NRA, who are understandably delighted that there are so many acquisitive toddlers in the U.S. who can be prompted to feel fearful, disempowered, persecuted and self-righteous.

**How has Type II Diabetes become an epidemic?** What foods does an infant crave? Mother's milk at first, then anything high in sugar or high in fat. Well then why not keep treating consumers as infants in terms of mass food production? As soon as possible after they are weaned from their mother's breast, why not begin feeding them the most fatty, sugary and salty foods we can find? And why not make those foods as easy to prepare, chew and purchase as possible – just process them until they are barely more substantive than puréed baby food, and put them in frozen packages, cans and jars that require zero preparation. Cream of spinach, anyone? Applesauce? Fish sticks? Milkshakes and yogurt drinks? Scrambled eggs? Spaghetti in a can? Pudding pops? Aerosol cheese? Food pouches? Instant hot cereal? It's all baby food, so convenient that all we need to do is open our mouths while cradled in the arms of the latest TV show, or comfy car passenger seat, or even our own comfortable bed. We can even have our adult baby food brought right to our home, or while we cruise about in our giant motorized baby buggies. And when we combine high fat, high sugar baby food with a self-indulgent lack of physical inactivity, we create the perfect formula for developing Type II Diabetes over time. In this situation, the food consumer refuses to grow up, and the food producer is happy to keep them in their infantilized, excessively dependent state.



**What is the psychological basis of racism?** The infant frightened by an unfamiliar face will cry, flail and even lash out at the stranger, screaming for the familiar arms of a family member. The basic emotional reflexes of racism aren't much different than this – a mistrust of the different, the foreign, the unknown, and an instinctual desire to be surrounded by a comfortably familiar sameness. The recipient of such prejudice can also react from a self-infantilizing perspective, in which they see themselves as a helpless victim, powerless and vulnerable, unable to alter the dynamics of the situation other than through withdrawal into a protective, ethnocentric bubble – or to likewise respond reflexively with rage and hostility. In one of the greater ironies of the postmodern era, those in a position of privilege and power in society, who see themselves as responsible for mending the rifts of racism in their culture, often resort to infantilizing the very people they wish to liberate; instead of creating space, opportunity, resources and foundations for liberty, so that the disenfranchised or disempowered can effectively *lift themselves up* according to their own values and culture, the privileged instead either attempt to change their own behaviors in self-oppressive ways, or try to gift power to the oppressed *within the dominant values system of the elite*, believing these changes will somehow honor and enhance the diversity around them. But these are just variations on a colonialist impulse, a misguided condescension that still disallows those who feel oppressed from being themselves or exercising their own judgments and values, and doesn't appreciate how the privileged retain their attitudes of power and superiority in the very act of *noblesse oblige*.

So many questions can be answered in the very same way. Why do so many young people remain dependent on their parents up through their twenties? What is really destroying traditional “family values?” Why do religious institutions become stagnant and corrupt over time? Why do so many people become unhappy in their marriages? How can democratic processes be so easily co-opted by the wealthy? Why does human industry so often become environmentally destructive? Why would someone be attracted to individualist ideologies over collectivist ones? All of these questions – and many more – can be framed within the context of either self-



infantilization and self-toddlerization, culturally reflexive co-infantilization, the infantilization or toddlerization of others by those in positions of power and privilege, or some combination of these patterns. Again I would propose that this is at the causal heart of *many, if not most* of the conditions that undermine liberty.

Now, returning from our detour, I think we should define what, precisely, the *variations of poverty* that interfere with liberty look like using the criteria we have assembled so far from these different perspectives. I believe they would include the following:

- **Poverty of existential security** – lack of food, shelter, clothing, safety from harm.
- **Poverty of access or opportunity for advancement** – being “in the right place at the right time” never seems to happen, no viable pathways out of one’s current situation seem available, no amount of effort seems to change these conditions, and barriers to access and opportunity persist.
- **Poverty of spaciousness** – lack of discretionary time, quiet, solitude.
- **Poverty of justice and equality** – experience of social prejudice, disruption of ability to obtain competent legal representation, inferior treatment under the rule of law, unequal treatment in the workplace, etc.
- **Poverty of economic freedom** – disrupted ability to generate disposable income or access desired goods, lack of opportunity to trade, disruption to development of desired skills and abilities, lack of employment opportunity.
- **Poverty of trust and social capital** – experience of alienation or disenfranchisement, lack of access to supportive social networks,



consistently encountering closed doors rather than open ones.

- **Poverty of self-reliance** – disrupted capacity for confidence, and lack of access to tools or experience that support a belief in own self-efficacy.
- **Poverty of education** – disrupted ability to think critically (i.e. carefully evaluate new information, challenge internalized assumptions, relax cognitive bias, escape conditioned habits), learn valuable skills, or gain a well-rounded understanding and appreciation of the world through diverse, interdisciplinary learning.
- **Poverty of common property** – lack of resources held in common, or lack of access to those resources.
- **Poverty of physical or mental health** – poor nutrition, excessive stress, unhealthy family dynamics, genetic predispositions for illness or substance abuse, subjection to psychologically incompatible or physically harmful environments.
- **Poverty of perception and awareness** – disrupted ability to see past the spectacle, perceive or process things multidimensionally, or maintain a neutral holding field while assessing complex information.
- **Poverty of emotional intelligence** – disrupted ability to interpret social cues, facial expressions, emotional content of interpersonal exchanges, or to empathize with the experiences of others.
- **Poverty of knowledge & information** – lack of access to established knowledge, or to accurate and independently verified new information.



- **Poverty of spirit** – disruption of connection with higher Self, spiritual insights and *gnosis*, and/or relationship with divine mystery.
- **Poverty of holistic perspective and vision** – disrupted ability to comprehend the bigger picture, cultivate a guiding purpose and intentionality, or to keep these in mind throughout the trials of daily life.
- **Poverty of moral development** – disrupted ability to mature past an egoic, tribal, or individualistic orientation (I/Me/Mine or Us vs. Them).
- **Poverty of love** – disrupted ability to develop compassionate affection for self and others, or experiencing a consistent lack of compassion from others.
- **Poverty of self-expression** – lack of opportunity and support for creative, athletic, intellectual or other form of self-expression.

And remember that in many cases these poverties are self-perpetuating, specifically because of the *artificial dependencies* – the variations of toddlerization and infantilization – that they create. Whether or not these generalizations resonate with your understanding of the world, doesn't it seem prudent to eliminate infantilizing or toddlerizing dynamics from human society, to whatever degree possible, so that its pressures, enticements and negative consequences can be de-energized? Would it hurt to either remove the prolific influence of infantilization and toddlerization on various forms of poverty, and poverty's reinforcement of paternalizing patterns? If so, then how? We can't force people to grow up if they don't wish to, and these patterns are the core facilitators of both unwieldy government bureaucracies and growth-dependent commercialist corporationism. In other words, in a croniest, clientist State capitalism that advocates monolithic for-profit enterprises, there is tremendous pressure to sustain these trends.



But wait...are we still navigating interference to negative liberty? Doesn't this broadening scope of poverty begin to emulate the concerns of "positive liberty" in its inclusion of internal qualities? Certainly, but only in the sense that those qualities can be inhibited or destroyed by external conditions; remember that we are concerned with the foundations of liberty here, and there is no difference between a freed prisoner who has no access to food, shelter or livelihood and a child who has zero access to education, social capital or equal justice due to race, gender, region of residence, or class. We are still focused on eliminating interference, not positively creating means and ability; we are just appreciating more variables, and with more precision.

On the other hand, the lone inhabitant of a shanty in the woods, whose self-reliance is a product of generations of sociological, economic, industrial and scientific development – resulting in sophisticated technologies, an affluent support system, a well-nourished childhood, critical thinking skills honed in the best education available, knowledge and resourcefulness grounded in the past successes others, and relatively elite social capital – is not really operating in isolation, but “on the shoulders of giants” as it were. Thoreau, after all, was a white pencil-maker's son living in a predominantly white society, who studied at Harvard, was mentored and patronized by Ralph Waldo Emerson, supported himself through the family pencil business, and only spent one night in jail for his “civil disobedience” before he was bailed out. Such were the affluence, pedigree, support, resources, social capital and privilege afforded him that he could choose “to live so sturdily and Spartan-like as to put to rout all that was not life,” and then philosophize about it. In this sense, Thoreau's means and ability to exercise freedom were positively created within the very societal conventions he railed against. It doesn't require much investigation to realize that, in the very same way, the idealized pinnacle of individual sovereignty in modern society is supported by an endless intersection of facilitative factors, like the majority of mass for an iceberg that lies below the water but is invisible to the casual eye.



So it seems that in order to maximize freedom for everyone, we are faced with some unambiguous choices: either attempt to eliminate the conditions contributing to these variations of poverty via some coercively authoritative or utopian mechanism; magically enhance human capacities to an ideal degree so these poverties have no enduring effect; theorize and fantasize about a universal individual autonomy while denying both the convergence of facilitative factors that positively enable that autonomy, and the coercive force that variations of poverty actively generate against it; or acknowledge the constraints to freedom such poverties and infantilizing patterns impose on us all, as well as the constructive realities a vast iceberg of supportive conditions necessitate, and navigate our lives accordingly. I'm not aware of other options or methods to sidestep or escape this substantive interference to liberty.

Again my intention here is also to shift the emphasis away from creating the means and ability to exercise free will as enforced by the State, and towards removing barriers to freedom in some collective fashion – that is, mitigating substantive interferences to liberty through intersubjective agreement. This may seem to be a subtle distinction, but I believe the methods of implementation shortly to be outlined will clarify significant differences – especially when we evaluate what supports our intrinsic capacities to experience and operationalize free will in more detail. Along these lines, then, what are appropriate intersubjective social agreements that foster the foundations of liberty in the most effective ways? And what are the interobjective systems and conditions that provision them?

We might assume that democracy itself is intended to moderate some of these forms of poverty, but not if we are “playing the freedom lottery.” Additionally, as far back as Aristotle's *Politics* we are warned: “extreme poverty lowers the character of democracy, so measures should be taken that will provide them lasting prosperity....” And of course as Jefferson wrote in an 1816 letter to Charles Yancey: “If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be.” These are just two of the poverties we've listed, but



they speak to the essence of our concerns. I believe only more advanced forms of democracy, together with additional foundations of liberty that are *collectively supported* for all, will be able to achieve a durable freedom. For even those who advocate the criticality of personal responsibility and choice still acknowledge the importance of collective agreement in support of that agency. As Amartya Sen writes in the Preface to *Development As Freedom* (1999):

“We have to recognize, it is argued here, the role of freedoms of different kinds in countering these afflictions. Indeed, individual agency is, ultimately, central to addressing these deprivations. On the other hand, the freedom of agency that we have individually is inescapably qualified and constrained by the social, political and economic opportunities that are available to us. There is a deep complementarity between individual agency and social arrangements. It is important to give simultaneous recognition to the centrality of individual freedom and to the force of social influences on the extent and reach of individual freedom. To counter the problems that we face, we have to see individual freedom as a social commitment.”



## Intersubjective Social Agreement

Ongoing, constantly renewed and reinforced *intersubjective social agreement* that individual sovereignty should be collectively supported and maximized, acknowledging that without such agreement and intent, individual sovereignty will inevitably be either compromised, interfered with, or entirely inaccessible. Further, there should be ongoing communal engagement and dialectic around this agreement and its characteristics; this is a dynamic rather than static process, and would need to be customized to unique variables at cultural and community levels.

First a brief consideration of political obligations. As John Simmons defines these in *Moral Principles and Political Obligations* (1979): “Obligations are limitations on our freedom, impositions on our will, which must be discharged regardless of our inclinations.” (p.8) It doesn’t matter if we want to do them or not, such obligations would be fulfilled in exchange for certain privileges or rights; and in the context of our discussion here, political obligations are fulfilled *specifically to perpetuate the subjective experience of maximized personal liberty for all*. Following Simmons’ reasoning, any such obligations must be voluntary rather than compulsory, with individuals choosing to participate in a cooperative society and actively accepting their contributive responsibilities. Simmons finds none of the justifications he examines for political obligation – tacit consent, act-utility, fairness, gratitude, natural duty, etc. – to be sufficient or compelling for any citizen to subordinate individual sovereignty to the authority of the State. Only in narrow circumstances does Simmons find consenting citizens to be morally bound to their obligations. In fact he makes so many exhaustive and carefully reasoned arguments, we might be discouraged from attempting to address the inadequacies he describes. But instead, we can take an entirely different tack regarding political obligations. As a morally binding alternative, our acceptance of and investment in political obligations can arise from what I call *the unitive principle*.



In essence, the *unitive principle* arises out of compassionate regard for ourselves and our fellow human beings; as I desire what is best for myself and others, I accept the mantle of social responsibility that maximizes the greatest benefit for the greatest number for the greatest duration. Here love generates the moral force compelling my participation in political life, and being a conscious being who can empathize with and care about other conscious beings constitutes the central “particularity requirement” of that involvement. Out of compassionate regard, I can willingly and easily sacrifice some of my freedom in order for everyone else to have the same degree of liberty I do – again, because I feel concern and affection for them, and desire both their well-being and their ability and opportunity to thrive. In a very real sense, when energized by the *unitive principle* the enabling and support of another’s liberty does not feel like a moral obligation at all, but rather an intrinsically rewarding privilege. So, as with any meaningful relationship, it is love that voluntarily constrains my individual autonomy and willingly embraces mutually beneficial collective authority – an authority which itself is mutually generated, agreed upon and maintained. As I write in *Political Economy and the Unitive Principle* (2013, p. 33-34):

“Across the ages, the same pattern repeats itself: thoughts and actions that facilitate harmony, kindness and togetherness, that perpetuate mutually caring relationship above and beyond obligation or self-interest, are described with the highest moral regard....This love is not an unfocused or shallow warmth, nor is it a reflexive duty, but rather a deeply felt commitment to the happiness and well-being of others. In this lineage, that orientation is frequently referred to as *agape* - what Kohlberg aptly describes as ‘responsible love.’ In a utilitarian sense, *agape* contributes to social cohesion; it helps bind society into functional structures, facilitating collective agreement on standards of behavior, which in turn establish a baseline of mutual trust and benefit.”

This is a relatively simple exchange between each individual and everyone else in their collective, but it admittedly relies upon an adult level of moral maturity to



function well. As can be carefully surmised, radical conceptions of the primacy of autonomous, individualistic will (Robert Paul Wolff, Matthew Noah Smith, Ayn Rand et al) fall squarely in the “less mature” spectra of moral development (see Appendix A). Why? In essence, because they do not recognize the criticality of intersubjective agreements in enabling and supporting individual agency itself – that is, the necessity of mutual cooperation to actualize the foundations of individual liberty. We will address this further in a moment. It does seem that Simmons shares this insistence on individual voluntarism when he declares (p. 148): “People cannot simply force institutions on me, no matter how just, and force on me a moral bond to do my part in and comply with those institutions.” So for Simmons, as with many writers of a libertarian or anarchistic bent, an insistence on personal, voluntary choice – an uncontested individual agency – is the bedrock upon which their views of political obligation (or lack thereof) is built. But does the requirement or imposition of political obligation - or even the expectation of any form of social responsibility – really involve coerced or forceful deprivation of liberty? Must we always cast the individual’s less-than-completely-voluntary contribution to their collective in terms of Statist, authoritarian, violent oppression?

Of course not. We can easily approach a constructive authorization of involuntary political obligation that *enhances* freedom rather than suffocating it. We can begin with the argument alluded to in the previous section on Subjective Experience, which is succinctly echoed by Thomas Hill Green in his *Lectures on the Principles of Political Obligation*:

“There can be no right without a consciousness of common interest on the part of members of a society. Without this there might be certain powers on the part of individuals, but no recognition of these powers by others as powers of which they allow the exercise, nor any claim to such recognition, and without this recognition or claim to recognition there can be no right.”<sup>2</sup>



In other words, human beings can only have rights, freedoms and individual sovereignty within a politically organized body of people – there is no individual authority or autonomy at all without collective agreement – unless one is living out in the wilderness alone. It follows, therefore, that this social conditionality is itself in an uninvited imposition on individual free will; it doesn't necessarily sanctify the formation of the State or State authority, or authorize coercion to comply, or prioritize the group above the individual, or annihilate autonomous individual agency...but it establishes the principle that *intersubjective agreement is critical to supporting and perpetuating liberty of any kind.*

I would further assert that, without such agreement, individual agency will become extremely limited. Even though unconstrained individual freedom may seem ideal in the abstract, in our discussion here the subjective experience of liberty includes *expressing, affecting and adapting.* And without social community, those variables become rather empty. To whom am I expressing myself? How will I recognize that I am affecting my environment? How will I learn and grow in order to adapt – and how will I know that I am learning and growing? All of these demand a social, communal, interdependent context, rich with interactive language, shared knowledge, affirming emotional feedback from others, and the many other compounding benefits of sociality. The solitary hermit in the woods may feel subjectively free, but without the context of human relations that distinction is pointless. So we can surmise that strict adherence to voluntarism actually contributes to countervailing illusions of liberty – not only because it contradicts these realities of how freedom is constructed, exercised and experienced, but also because it tends to injure collective authorizations that benefit the common good, disrupting civil society with potentially myopic and purely self-serving noncompliance.

We might also take note John Horton's nuanced variations on these themes, where he writes in *Political Obligation* (2010, p.171):



“In understanding ourselves *as* members of a particular polity we employ what Bernard Williams has called ‘thick’ ethical concepts to characterize that understanding, and the fact of our membership of our polity figures routinely in our processes of ethical deliberation and practical reasoning (Williams, 1985, ch. 8). These reminders do not ‘prove’ that we have political obligations (whatever that might mean), and nor are the intended to do so, but they are an important part of any remotely accurate phenomenology of our ethico-political experience: they show how people commonly think, feel and act, at least *as if* being members of a polity were something meaningful. In doing so, we acknowledge that being member of a polity has ethical significance for us; a significance that is partly cashed out in terms of relations involving responsibilities and obligations. But, more than this, they show how deeply implicated and enmeshed we are in such ways of thinking, feeling and acting. For these are not marginal or trivial features of our lives, but typically play a significant role in the way in which we locate and orient ourselves in relation to other individuals, groups and institutions both within and without our polity. In short, although their importance will vary between people, across polities and over time, they form part of the conceptual and ethical fabric through which we make sense of our lives.”

Horton also elaborates that such membership is seldom voluntary, but is simply where we find ourselves in terms of social identity, place of birth or residence, family heritage, historical relations and so on. And this membership implies *associative obligations* that reflect the accepted values of our polity – obligations similar to those we experience as familial obligations to our parents, siblings and children. We may choose to opt out of certain obligations, but we generally recognize the “the goods of order and security” as benefits of our membership, and recognize a concomitant sense of responsibility.

We might also observe Charles Horton Cooley’s assertion in *Human Nature and the Social Order* (1902) that “individual” and “society” represent a false dichotomy, because what is really represented by such distinctions is a narrow conception of the self as opposed to a wider conception of the social self as part of a higher-order,



more inclusive whole. In other words, individualism is an artificial construct of a narrow self that excludes the unitive synthesis *involving both individuality and social life*. As Cooley writes (Chapter 5: The Social Self):

“That the ‘I’ of common speech has a meaning which includes some sort of reference to other persons is involved in the very fact that the word and the ideas it stands for are phenomena of language and the communicative life. It is doubtful whether it is possible to use language at all without thinking more or less distinctly of someone else, and certainly the things to which we give names and which have a large place in reflective thought are almost always those which are impressed upon us by our contact with other people. Where there is no communication there can be no nomenclature and no developed thought. What we call ‘me,’ ‘mine,’ or ‘myself’ is, then, not something separate from the general life, but the most interesting part of it, a part whose interest arises from the very fact that it is both general and individual. That is, we care for it just because it is that phase of the mind that is living and striving in the common life, trying to impress itself upon the minds of others. ‘I’ is a militant social tendency, working to hold and enlarge its place in the general current of tendencies. So far as it can it waxes, as all life does. To think of it as apart from society is a palpable absurdity of which no one could be guilty who really saw it as a fact of life.”

Cooley frames the social self even more emphatically when he writes (Chapter 12: Freedom): “man has no existence apart from social order, and can develop his personality only through the social order, and in the same degree that it is developed.”

We can even harken back to Aristotle’s conception of human beings as ζῷον πολιτικόν, “political animals” at our very nature, which seems to correspond neatly with modern research on our innate, prosocial neurological structures (see Grit Hein, Scott Huettel, Ralph Adolphs, Antonio Damasio) and the evolutionary advantages of sociality itself (see Frans De Waal, Barbara King, E.O. Wilson, Leslie Stephen). As Aristotle argues in *Ethics*, it is only in relationship to our neighbor that



virtue, justice and equity matter; they must result in “another’s good” above and beyond our own to constitute meaningful virtue.

I propose that these approaches are all dancing around a central issue: the necessity of love. If I don’t love my family members, any sense of moral obligation to them will feel dissonant and strained. To whatever degree I don’t feel affection or compassion for the members of my community, my associative obligations likewise tend to become uncomfortable and pained. There may indeed be an improvement to individual and collective evolutionary fitness through prosocial traits, but why would I care – why would anyone care – if that prosociality isn’t energized by love? Indeed why am I writing this essay, if not to communicate with others regarding something I’m passionate about, *because I love my fellow human beings?* This is one way we can arrive at the causal significance of the *unitive principle* and its application to political obligations.

But let’s return for a moment to moral maturity – important because, so often, what is perceived as occurring is a matter of both perspective and wisdom. An adolescent may not *want* or *accept* the responsibility of contributing to the family household (through doing chores, or applying themselves in school, or caring for siblings, etc.) but they are in fact morally obligated to do so, even though the institution of “family” was thrust upon them. An emerging adult may not *want* or *accept* the responsibility of striking out on their own to become financially independent, but they are likewise morally obligated to do so, despite the fact that the institution of “adulthood” may be forced upon them when parents withdraw material support. In very much the same vein, there will sometimes be political obligations we do not like and did not choose for ourselves, but which nevertheless imply a moral duty to perform, even when, as Simmons phrases it (p.154), a “great inconvenience to ourselves is involved.” That’s just part of growing up, and its moral justification becomes clear only when we have matured sufficiently to appreciate what is necessary to secure equivalent freedoms for everyone, rather than just asserting our own autonomy *in vacuo*.



Absent my compassionate affection for those who benefit, whatever limitations I accept for myself on their behalf may indeed feel like onerous duties – so this is not a desirable outcome. Our goal, then, would be to eliminate such onerousness by encouraging the aforementioned joyful willingness in its stead, and such joyful willingness is a natural byproduct of both love and the moral maturity – the adult perspective – that accepts personal sacrifice for the good of others. Once well-seasoned loving-kindness is embedded in social culture as a primary feature of personal and collective values, mutual consent to social responsibilities becomes joyfully normative rather than grudgingly dutiful; cooperation becomes a natural consequence of gratitude; fairness becomes a low bar of reciprocity that we earnestly desire to exceed; feelings of caring, connectedness and generosity cement our commitments to association; and *agape* – defined as skillful love-in-action – offers us the surest underpinnings for a shared vision of justice, in all its complexity and subtlety. Thus structures and processes that support a moral advancement grounded in love should be considered intrinsic to the foundations of liberty. As I continue in *Political Economy and the Unitive Principle* (p.41):

“Moral creativity could also be described as ‘broad-spectrum moral synthesis,’ a product of multiple intelligences within - emotional, social, spiritual, somatic, analytic - working in unison. A moral choice can be viewed as the synthesis of all of these input streams, and the breadth of our moral vocabulary as dependent on how readily we can access and integrate these dimensions of perception-cognition. For those with a limited moral vocabulary, a rigid, black-and-white, rules-oriented assessment is a safe and reliable haven for moral judgments. But the more developed our moral creativity - and the more it is infused with skillfully compassionate affection - the more we will extrapolate subtle, nuanced, multidimensional criteria that are context-sensitive, variable and graduated.”

At the same time, another important issue is one of *abstraction*: for the farther removed we are from active involvement in our own governance and the political processes of civil society, the less likely we are to appreciate the relationship



between our political obligations and the well-being of that society in whole or part. Simmons himself speaks briefly of this in *Moral Principles and Political Obligations* (p. 140) when he writes: “I do not think that many of us can honestly say that we regard our political lives as a process of working together and making necessary sacrifices for the purpose of improving the common lot. The centrality and apparent independence of governments does not make it natural to think of political life in this way.” Considering this, it seems obvious that political processes energized by the *unitive principle* need to have immediate, regular and localized feedback loops; our involvement must feel intimate, the cooperative spirit of our participation as communal as possible, and our relationship with outcomes more direct. Concurrently, our level of moral maturity will also adjust our sense of abstraction: the more expansive our social sense of self – the more inclusive its unity, and the higher its moral altitude of associations – the less removed we will feel from political life.

What are some additional considerations? One might be that arriving at formalized intersubjective agreements that consistently facilitate this exchange in a global, increasingly complex, culturally diverse, technologically accelerating society can be profoundly challenging. This is mainly due to the intersection and amplification of competing values hierarchies that postmodern variables have introduced. Where once different worldviews could either operate in isolation from each other, dominate or annihilate each other, or escape each other through geographic relocation, those temporary pressure relief valves have become increasingly scarce. As an Earthbound species that is ever more interconnected and interdependent on multiple levels, we are now forced to confront cultural and moral incompatibilities between individuals, between individuals and their communities, between one polity and another and so on – and figure out new ways to work through them. And as long as the human population keeps expanding and deepening its global interdependence, the pressure to engineer successful intersubjective agreements for any plausibly universal political obligations will only continue to increase.



Returning to the four primary drives can assist us here, as we examine the qualities any proposed *intersubjective social agreement* evokes in each of them:

**To exist.** Here my voluntary obligation to support the subjective felt experience of liberty for others will be to not interfere with their existence, *and* to help create an environment in which my fellows will not experience existential threats. Not only will I refrain from annihilating others, but I will also demonstrate a trustworthy intent to help others maintain their ongoing subjective experience of unimpeded (non-threatened) existence. As a prosocial impulse, this is the charitable inclination – the compassionate caring – that energizes the Good Samaritan and helps define what *agape* looks like, and it motivates engaging *participatory mechanisms* and other civic features that support ongoing, mutually assured survival. It seems to me that health and well-being are also endemic to this obligation, so that not only would supporting and participating in systems for mental and physical healing be part of our mutual commitments, but also that everyone receives the same quality of care.

**To express.** Here we assure others of their freedom of self-expression, and support the foundations of liberty that provide the opportunity to do so. This is what we might call *proactive tolerance*. As another voluntary obligation, I not only accept the expressions of others around me, I appreciate and celebrate them. In postmodern Western culture we witnessed a disturbing trend of commoditization of all self-expression for a time, so that by the 1980s, only the creative efforts of very few people were appreciated by a majority of consumers, and many people seemed to abandon casual interest in creative self-expression; where once there were instruments in many homes for communal musicizing, now there were only headphones and a Sony Walkman. For many years only a handful of “big name” painters, musicians, authors, actors, composers, film makers and so on were able to find any audience at all outside of an open mike café, literary salon, art gallery, or independent theater or film festival, and these few were extravagantly compensated for their privilege, while everyone else took on a second job. We also



saw parallel trends in education, where liberal arts curricula were increasingly abandoned, and in the decline of public arts funding in general.<sup>3</sup>

But thanks to the Internet, desktop PCs, on-demand publishing, and affordable recording, formatting and editing software for all types of media, the interest in self-expression gradually revived. Now, in 2015, virtually anyone can gain access to a global audience, and although arts funding and curricula are not fully revitalized, there are now revenue streams available (like those on YouTube) that encourage the most popular forms of individual creativity. In this sense, at least, as long as we maintain an intersubjective agreement that the Internet remain open and free to all, the technological barrier to universal self-expression and appreciation will become lower and lower – especially once any lingering digital divide is eliminated.

***To effect.*** Here our voluntary obligation is a commitment to enabling the freedom of substantive and effective action for others – that is, to provide *reliable foundations for liberty* for everyone – so that abstract conceptions of freedom become actual, *effective* freedom in the real world. This is where we return to basic assurances like freedom of movement; freedom of economic opportunity; freedom of health and well-being; freedom of access to access to skills, resources and cooperative assistance; freedom of knowledge and learning – all of which are grounded in a fundamental respect for mutuality. If everyone agrees to this as a facilitative standard for everyone else, all that remains is to engineer processes whereby these freedoms are enabled, and where abuses and interference can be skillfully countered.

***To adapt.*** How can others adapt if they do not have access to educational, informational, financial or other communal resources? Here we must be obligated to the higher-tier functions of civil society that encourage and sustain individual freedom to learn, grow and evolve. The bias of my own worldview is that without holistically nourishing all dimensions of our being (the basis of Integral Lifework), personal and collective healing, growth and transformation won't be fully available



to everyone. Thus one intersubjective agreement I believe would energize *adaptive* freedom is to ensure everyone has access to multidimensional self-care practices, education and information from an early age.

Alas, there will always be individuals who lack the innate sensibilities, moral maturity and willingness to appreciate these political obligations (including necessary limitations on individual agency) for the good of everyone in society. For these non-citizens, such voluntary commitments and sacrifices will continue to feel like unjust expectations or onerous impositions on their individual sovereignty. For them, compassion, empathy, cooperation and the benefits granted by liberty may simply not be adequate justification for social integrity or self-restraint, and thus their subjective experience of individual sovereignty *will not feel free*. To reiterate, however, it can be easily generalized that the only instances where coercive force is justifiable – whether through self-discipline, social conformance, or the rule of law – is when free will expresses itself in non-empathic, uncompassionate, antisocial and liberty-interfering extremes. This is the commonsensical self-bouandarizing that eludes the tantruming toddler, but is the necessary tension of all cooperative human endeavors. It is the eternal dance between unrestricted individual liberty, and the collective stability required to promote and sustain that liberty over time for everyone. A central consideration will continue to be how these two concerns interact – how individual liberty will authorize collective stability, and how collective stability will empower individual sovereignty.

This seems like a good time to reemphasize that I am not interested in advocating the formation of authoritative institutions to enforce any intersubjective agreements, and more focused on defining the *processes* whereby such agreements can be consistently formulated, actualized and maintained in dynamic ways. As already suggested, I believe it is the *abstraction* of the responsibility and accountability for governance from the electorate via civic institutions that tends to weaken democracy itself. To my mind, the “legitimacy” of any form of governance relates specifically to the intimacy, immediacy and regularity of involvement in the



governing process by its citizens. A process that invites daily, direct participation in governance at all levels therefore both enhances representation of values intersections and emergent priorities, moderates rapidly evolving complexity, and fortifies the feedback mechanisms required to ensure the viability of ongoing intersubjective agreement in dynamic ways. So too will all other intersubjective agreements require equivalent personal participation. In my view, this is the *only* way we can assure what T.H. Green called “the liberation of the powers of all men equally for contributions to a common good.”<sup>4</sup>

Along these same lines, we cannot presume that any intersubjective agreement is a tacit fact; it requires active engagement to come into being and be continually navigated and affirmed. I would even propose that participation in intersubjective agreement not be exclusive to adulthood, but be encouraged in the young as well. The scope of youthful contributions could of course be adjusted according to age and demonstrated maturity, but the sooner a young person begins participating in a reciprocal process that maximizes their liberty, the better their chances will be to understand, value and navigate their political obligations moving forward, and expand their social sense of self. As history repeatedly demonstrates, any abdication of political participation dilutes the clarity and quality of that exchange over time, until either individual freedoms are taken for granted, or those placed in positions of influence and authority neglect the interests of those whom they are intended to represent...or both. Clearly forms of direct democracy have many advantages in this regard.

So where do we start? What are the fundamental features of intersubjective agreements that foster our liberties to *exist, express, affect* and *adapt*? As alluded to in the last section, as a society we really must take time to address our conceptions around property ownership, as these inform the relationship between individual liberty and collective stability to an enormous degree. One presumption of modern capitalist property rights and contracts is the *labor theory of appropriation*: if I add value to any natural resource by my own labor and creativity, then I can claim



ownership of that as my property (a principle widely adopted from Locke's *Treatise on Government*). More simply: I create property by applying my labor, and I own what I create. This may be further qualified by the constraint that whatever value I engineer through my labor should not interfere with freedoms of others; my benefit should aim to avoid depriving someone else of such resources (Locke: "there is enough, and as good, left in common for others"), and also aim to avoid disadvantaging them in some way (Rothbard, Nozick, Hoppe, Kirzner). Thus intersubjective agreement around this mode of both property-creation and value-creation can even include compassionate consideration for the freedom and opportunity afforded our fellows. Such formulations of the *labor theory of appropriation* may sound reasonable on the surface – especially since they are widely accepted in modern, market-based societies without much critical reflection – but these are fairly outrageous and untenable positions. And here is why....

### ***Property Ownership is a Non-Rational Impulse that Interferes with Liberty***

Academic literature on this topic exists, though it is sparse. But before we explore that, let's consider some informative conditions we find in nature.

We can readily observe ownership-like behavior across the animal kingdom, from a bear scratching claw marks in a tree to define its territory, to a badger defending its den, to one elk bull battling another elk bull over his harem, to a squirrel noisily chasing away anyone coming near his home tree, to an alpha male wolf asserting his right to eat first from the pack's kill, to a Blue Jay hiding nuts and seeds for its own future use. Our understanding of these behaviors tends to be anthropomorphized, but when we observe our own dog busily peeing over every other dogs' urine, or growling at anyone who comes near when they are gnawing on a fresh bone, we intuitively grasp why they are acting this way. Someday neuroscience will let us know whether the cognitive signature of "ownership" in the minds of these animals is similar to human mentation, but for now the *emotional response* seems to be quite



similar to our own species. And this is an important distinction, because the human sense of I/Me/Mine ownership (that is, as an extension of the egoic self) can be viewed as just that: a reactive emotional response hardwired into the survival instincts of our most primitive hindbrain. The initial impetus to “own” something seems to be a vestigial reflex of our animal selves, and little more.

This is not to say that we don’t artfully rationalize those instinctual emotional responses, making them much more meaningful and justifiable to ourselves and each other, and much more calculated and critical in the broader context of social relations. But at the root of our *impulse to own*, we find the same non-rational reflex that governs ants when they swarm an intruder to their colony, or a bird dive-bombing a predator to protect its chicks. The conscious thought “if I don’t hoard, hide and protect this resource, I will not survive, my family will not survive, and my species will not survive,” is indeed a higher order acknowledgement of that reflex, but I would propose it to be the same sort of rationalizing process we engage in after any non-rational emotional upsurge – an outburst of laughter, spontaneous infatuation, a fight-or-flight response, hurtful words spoken in anger, paranoia without basis, jealousy without evidence, unfounded trust or mistrust...and so on. Yet no matter how we rationalize them, after such upsurges have passed, we often feel chagrined, apologetic or silly about them – just as our dog, minutes after leaving off the bone over which she growled at us and bared her teeth, will sit at our feet, lick our hand affectionately, and gaze into our eyes with gratitude and love.<sup>5</sup>

But let’s take a gander at the academic literature. First off there seems to be a lot less research on the psychology of ownership than I had initially expected; perhaps this is because the intuitive understanding alluded to above is so pervasive. But thankfully there has been some thoughtful and careful work in this area, and some of the more recent is offered up by Floyd Rudmin, who concludes in “Cross Cultural Correlates of the Ownership of Private Property” (1992) that:



“The institution of private property serves the security of the self. Securing possessions as private property in order to fabricate, maintain, extend, and defend the self is important only if the individual self is deemed important. If the self is valued within a culture so too should be the defensive and empowering mechanism of private property.”

And further:

“The more a society values individualism, the more preferences for dominance and private property are correlated.”

At the same time, Rudmin acknowledges that this extension of the individualistic self in property also *deprives individuals of freedom* as a social norm. As he writes in “To Own is to be Perceived to Own:”

“We are geographic beings: we must be located on and move about the surface of the planet. But how narrow and constrained is the geography of any particular individual. We are utilitarian beings: we create and depend upon objects, foods, tools, and all types of implements. But again, how limited and constrained are the options of each individual. We know where our possessory interests and property rights reside and where they do not. We limit our behavior accordingly, and we expect others to know and do the same. Indeed, it is a paradox that the autonomy and freedom allowed by rights of private possession require conformity to norms of restraint.... However, property norms are so well socialized that we little realize these constraints.”

And later, perhaps even more concisely, in an interview with <http://thescienceofownership.org/>, Rudmin reiterates ownership dynamics and their impact on freedom this way:

“Adults in a propertied world have so habituated ownership self-regulation that they are unable to see or feel the extreme self-restraint that ownership imposes on



us, as we restrict ourselves to the spaces, objects, and persons to which we have rightful access or permission of the owners. More than 99% of the world around us is off-limits to any one of us, and we rarely notice that.”

Rudmin develops his assertions and conclusions with references to a wealth of other literature on the topic, including the work of Litwinski, Heider, William James, Kant, Bentham, Hume, Locke, Aristotle, Plato and even Pythagoras. In “To Own is to be Perceived to Own” he leads us through the contrasting approaches of Litwinski and Heider, landing us on the verge of understanding what motivates and sustains property possession in society, with its contrasting “social communion values and individual agency values,” mainly nudging us toward future avenues of research. But Rudmin nevertheless nudges with a confident hand, first stating Litwinski’s view that “Property is possession that has been sanctioned by social consent as formalized in law;” then examining Heider’s cognitive balance approach: “By a balanced state is meant a situation in which the relations among entities fit together harmoniously; there is no stress towards change. A basic assumption is that sentiment relations and unit relations tend toward a balanced state. It also means that if a balanced state does not exist, then forces toward this state will arise.” (Heider, 1958, p.201) And as Rudmin summarizes an interesting outcome of Heider’s complex relations analysis: “Thus, while owners and potential owners compete for possessions and must be ever defensive, they share a common attachment and liking for the regime of private possession.” In this way, the inherent tension we would assume exists around competing ownership can be explained away as a mutually gratifying societal consensus that, well, *having stuff is fun*.

Again, however, none of this relationship with property is very rational. Even the context of social expectations around property ownership, the forces at work center around liking or disliking objects that may or may not have future utility, or liking or disliking people because they possess certain objects, or wanting or not wanting what someone else owns for no particularly coherent reason, or the unconscious



habits of social conformance in acquiring property, or the gratification of our individual whims to acquire it – all of these occurring without much conscious consideration at all. Throughout Rudmin’s analysis, we find that ownership seems more about satisfying irrational appetites, both individually and collectively, than anything else. And we can find additional research to support this view, such as in a careful examination of Dan Arielly’s *Predictably Irrational* (2010) and other behavioral economics literature. As Arielly writes (p. 173-175):

“Since so much of our lives is dedicated to ownership, wouldn’t it be nice to make the best decisions about this? Wouldn’t it be nice, for instance, to know exactly how much we would enjoy a new home, a new car, a different sofa, and an Armani suit, so that we could make accurate decisions about owning them? Unfortunately, this is rarely the case. We are mostly fumbling around in the dark. Why? Because of three irrational quirks in our human nature.

The first quirk...is that we fall in love with what we already have....The second quirk is that we focus on what we may lose, rather than what we may gain....The third quirk is that we assume other people will see the transaction from the same perspective as we do....”

So while the focus on the precise psychology and sociality of property ownership itself begs closer study, the main assertion here is that the *impulse* to own, the habit to possess and keep, is not that much more advanced than what animals demonstrate from instinct. And it happens to be a habit that not only deprives everyone in society of many individual freedoms, but also tends to create enormous inequity – regardless of the reality that most of us seem content to acquiesce and agree with the interferences and constraints to liberty private ownership imposes on us because...well, *having stuff is fun*.



## ***The Value Calculations Involved in Property Ownership are Capricious, Arbitrary and Egocentric***

The essence of the labor theory of appropriation relies on an additional conceit that human beings are the sole arbiters of all value-creation in the Universe; that is, that human activity is the only mechanism for generation and evaluation of import or utility, and that nothing preceding a human's creative imagination or cumulative effort has intrinsic value at all. This is profoundly anthropocentric, egocentric and myopic. It imbues human acts of discovery and utility with magical importance, and disregards all other systems of valuation – even those proposed by other humans – as subordinate to the I/Me/Mine school of appropriation. This is as ridiculous as it is immature, but requires additional clarification as to just how ridiculous and immature it actually is.

I need this field to plant my crops, and no other human is using it. So if I plant my crops there, adding value to the unpossessed land, I can now own the land (per the embodiment of the labor theory of appropriation in the Homestead Act, for example). But here's the rub: the land is actually home to a species of bee that doesn't exist anywhere else on the planet, and by farming the land, I destroy the bee habitat and, eventually, the entire population of that species of bee. Many decades later, it is discovered that the species of bee I inadvertently destroyed is the only species capable of resisting Colony Collapse Disorder, so that through my ignorant, short-sighted, self-important, willy-nilly appropriation of land, I have contributed to the end of pollination for a huge variety of crops, resulting in a global human diet of gruel after the remaining pollinizing bee populations have died off from CCD.

Yes, this is just a thought experiment, but how often has something similar actually happened? Humans have poisoned water supplies and aquatic habitats with mining and drilling, killed off thousands of species by destroying or polluting delicate ecosystems, made the air unbreathable for all manner of creatures (including fellow humans) in an ongoing global industrial revolution, and fished or hunted hundreds



of other species with unsustainable vigor. It seems that, although conventional value calculations insist on including interference with the freedom of other humans, they often do not include interfering with the survival of other species, biodiversity, *or even sustainable practices that allow these arbitrary, human-assigned values to be perpetuated beyond one or two generations.*

Increasingly this anthropocentric perspective is being eroded by common sense, compassion and empathy that extend beyond homo sapiens. Here again, moral evolution is in evidence. In the U.S. we have the Clean Air and Clean Water Acts, the Endangered Species Act, Australia has recognized the personhood of dolphins, and Germany and other nations have promoted the *precautionary principle* regarding new technologies and policies that could have unanticipated health or environmental impacts. With the reluctant but scientifically inevitable acceptance of human influence on climate change, countries around the globe are also aiming to curb carbon emissions. And wherever we find a Wildlife Refuge or even a National Park, our collective anthropocentrism may also have relaxed ever-so-slightly – though in many cases only when such land has no obvious commercial potential. In other words, at least some humans are finally starting to grow up a little, breaking free of myopic egocentrism to embrace a perspective that includes the *inherent value* of natural ecosystems and other species.

Even so, we are only just beginning to appreciate the importance of biodiversity and the complexity of the ecosystems on which we so casually rely, and not all humans have developed compassion and empathy for them. Additionally, many of these mature realizations only propagate because they are enforced by the State, and this presents problems of its own – including aggressive efforts of the selfish to circumvent restrictions. Even in this context, however, future-proofing for human benefit (i.e. conservation for future exploitation) often remains the more politically viable justification of any environmental protections, as we humans just cannot see the forest for the trees. Again this seems to reinforce the idea that we all have to grow up quite a bit more before we overcome anthropocentrism completely – and



especially if we expect human planning and activities to become less self-important in rhizomatic, highly distributed, Stateless ways.

That said, to further explore the failings of the labor theory of appropriation: even within the spectrum of human values-creation, we frequently find contradictory or fickle valuations – or valuations that are invented purely to justify human activities. A plant isn't edible or usable so we don't care about it, then some new process makes it commercially viable and, suddenly, we do care. We value gold for aesthetic, historical and emotional reasons, prizing it above other metals – even ones that are much more rare. A short-term consumer fad will cause some children's toy or performer's concert tickets to abruptly become scarce, precious and expensive. A longer-term collector fad will cause a particular era or style of art rise exponentially in value for a time. Two siblings didn't care at all about their mother's china collection for the entire span of her life, but, when she passes on, suddenly they fight viciously over ownership in probate court. A pharmaceutical company will use direct consumer advertising to drum up fear around a hitherto unknown ailment, fabricate data about their new drug's efficacy or hide data about its risks, and then charge exorbitantly for their product's artificial value. Solar panel installers will exaggerate the urgency of buying photovoltaic systems, so that consumers, as they rush to beat tax incentive deadlines or utility caps that are in reality still years away, pay unnecessary premiums for solar power. And although there is debate over whether an "endowment effect" really exists or not,<sup>6</sup> if it were to exist that would further support a conclusion that humans invoke value out of non-rational thin air. We are fantastic rationalizers, manufacturing value where none really exists, or justifying it retroactively. And yet we rely on these impulsive, arbitrary value rationalizations to establish proprietary rights! How does this make any sense at all?

We can also see just how hypocritical the theory of labor appropriation is when we evaluate who is willing to own any *negative consequences or externalities* of value-adding activities. Why is it that someone who adds value to something from their



own labor may benefit from this activity, but not be responsibility for deleterious consequences of that activity? A gun manufacturer can lobby Congress to lift an assault weapons ban, a high-capacity magazine ban, and other gun regulations that restrict consumer access to increasingly lethal technology, then successfully market those technologies to people who perpetrate mass shootings<sup>7</sup>...with absolutely no consequence to themselves as gun manufacturers despite having engineered a steady increase to their revenues in just this fashion.<sup>8</sup> Wall Street bankers chasing after profit, relying on fraudulent practices and unstable investment instruments, can drive the U.S. economy into a recession, causing millions to lose their homes and livelihood...while those bankers suffer no personal consequences, and instead are financially rewarded for their failures.<sup>9</sup> An educational institution can insist that a child's parents sign away their right to sue in the event of the child's injury or death with a simple waiver, release and hold harmless agreement...while first charging for educational benefits to that child in order to make a profit, then asserting credit for positive outcomes of that education (job placement, career success, cultural capital, social capital, etc.). I have always found these situations illustrative of an especially glaring form of hypocrisy. It is this mindset that quite naturally creates a situation where huge for-profit industries that are "too big to fail" can make egregious miscalculations in their business panning, then expect the American taxpayer to bail them out.

But perhaps I wander too far afield, for when we return to Rudmin's work, we discover in his 1998 "Cross-Cultural Correlates of the Ownership of Private Property: A Summary of Five Studies" that Locke was simply mistaken. It turns out that, in hunting and gathering societies like the Native Americans Locke was using to support his thesis, the theory of labor appropriation just does not hold. As Rudmin writes: "Where people do in fact gather acorns and apples, where they do hunt venison, in explicitly those conditions, private ownership tends not to be the norm. To the contrary, hunting and gathering peoples tend not to have private ownership of land or of goods. Typically, they secure their sustenance, not by private rights and not by means of exclusive access to resources, but by rights of



sharing and by means of intra-communal and inter-communal access to resources.” Locke’s assertions were, in essence, an arbitrary projection that lacked empirical grounds, and what he believed to be a “natural law” was nothing more than his own imaginative invention.

So how did we arrive where we are today? Why was Locke’s error so readily adopted by successive generations? One possibility that resonates strongly for me is the abandonment of any “bigger picture” framework (i.e. a unitive, metaphysical worldview) in favor of individualistic materialism. As Wael Hallaq describes it in his “Fragmentation of the Secular” lecture at the VIDC:<sup>10</sup> “Matter is thereby rendered ‘brute, inert and even stupid’ (Boyle). All the spiritual agencies – or anima – would be banished from the Universe, rendering matter spiritually meaningless, now [only] relevant in a materialistic, anthropocentric sense. If [natural] matter exists in a brute and inert form, then the only reason for its existence...is its service to man. It should not be surprising then that [at the end of the 17<sup>th</sup> and beginning of the 18<sup>th</sup> Centuries] leading European thought began to see Nature as the object of man and his knowledge – as a dumb and manipulable object. The modern State and its sovereign will, represented in the law, was not only an integral part of this worldview, but also one of its chief architects.” This, Hallaq asserts, created an “epistemologically shattered world” where our sole focus becomes an *a priori* will “whose predominant concern is to dominate Nature, control it, transform it, subjugate it, and sever it ontically, ontologically, psychologically and spiritually from our systems of value.” It is a world where only “brute facts” hold sway, and where, consequently, inherent value that may be metaphysical or intuited cannot be empirically validated, and is therefore summarily rejected. Could it be, then, that the same love affair with empiricism and materialism that sought to purge Nature of all her mysteries also annihilated the intrinsic worth of anything not resulting from human industry? It seems reasonable to conclude this is the case.

Lastly, I can’t help but reiterate that property rights of any kind are inherently different than other rights – for, in a proprietary society, whenever I own something,



*others explicitly do not own that thing*, and I can therefore interfere with the liberties of others (their right to use land, for example) based on my ownership, and can do so even if that ownership is grounded in the capricious suppositions of arbitrary valuation we have just illuminated. So what is a proposed solution? How can we function as a society in which all resources can be utilized by all individuals for the good of all, without the corrosive distortions and oppressions inherent to private ownership...?

***Conclusion: Possession without Ownership, and Ownership without Possession***

The concept of private property is an irrational, animalistic impulse that, at best, frustrates the mutual benefits of liberty in a cooperative society, and, at worst, progressively undermines individual sovereignty over time across all of that society. In order to achieve the subjective experience of liberty in a universal way, it seems clear that one of our primary intersubjective agreements be that private property and individualistic concepts of ownership attenuate – along with all systems that rely upon them – and that the advantages of common property and systems inspired by horizontal collectivism increase in their stead. This trajectory is also echoed by the *unitive principle* of love, which encourages us to rise above the I/Me/Mine acquisitiveness of immature moral orientations, and toward more generous, charitable and egalitarian standards of interaction. But how can we know what those concepts and systems will look like in the real world...?

Thankfully, once again this work has already been substantively initiated. Elinor Ostrom devoted much of her professional life to studying organically occurring common pool resource management and the advantages of polycentric governance. Through extensive fieldwork and cross-cultural comparisons, she uncovered a consistent set of self-organizing principles that had developed around sustainable natural resource access and utilization in several communities – and which soundly contradicted Garret Hardin’s “tragedy of the commons” being a foregone conclusion.



As described in *Collective Action, the Commons, and Multiple Methods of Practice* (2010, p.99):

“Ostrom finally dropped the idea of identifying the *specific* rules that tended to generate success. She moved up a level in generality to try to understand broader institutional regularities among the systems that were sustained over a long period of time. The concept of ‘design principle’ seemed an apt characterization of the regularities derived from this perspective. These regularities were not design principles in the sense that the irrigators, fishers, forest dwellers, and others who had invented and sustained successful common-property regimes over several centuries had these principles overtly in their minds. The effort was to identify the core underlying lessons that one could draw out from the cases of long-sustained regimes, and then to compare these successes with the failures to assess whether the failures were characterized by the same features.”

In 1990, Ostrom offered eight of these successful design principles for consideration in further research in her field. Over the ensuing years, dozens of follow-up studies were performed to empirically validate what Ostrom had proposed. In 2010, Michael Cox, Gwen Arnold and Sergio Tomás performed a detailed meta-analysis of 91 such studies in “A Review of Design Principles for Community-based Natural Resource Management.” What they found generally conformed to Ostrom’s design principles, though they also chose to expand on the original eight for greater clarification and specificity. Here is that result (Table 4, p. 38):

- 1A User boundaries:** Boundaries between legitimate users and nonusers must be clearly defined.
- 1B Resource boundaries:** Clear boundaries are present that define a resource system and separate it from the larger biophysical environment.
- 2A Congruence with local conditions:** Appropriation and provision rules are congruent with local social and environmental conditions.
- 2B Appropriation and provision:** The benefits obtained by users from a common-pool resource (CPR), as determined by appropriation rules, are proportional to the amount of inputs required in the form of labor, material,



or money, as determined by provision rules.

- 3 **Collective-choice arrangements:** Most individuals affected by the operational rules can participate in modifying the operational rules.
- 4A **Monitoring users:** Monitors who are accountable to the users monitor the appropriation and provision levels of the users.
- 4B **Monitoring the resource:** Monitors who are accountable to the users monitor the condition of the resource.
- 5 **Graduated sanctions:** Appropriators who violate operational rules are likely to be assessed graduated sanctions (depending on the seriousness and the context of the offense) by other appropriators, by officials accountable to the appropriators, or by both.
- 6 **Conflict-resolution mechanisms:** Appropriators and their officials have rapid access to low-cost local arenas to resolve conflicts among appropriators or between appropriators and officials.
- 7 **Minimal recognition of rights to organize:** The rights of appropriators to devise their own institutions are not challenged by external governmental authorities.
- 8 **Nested enterprises:** Appropriation, provision, monitoring, enforcement, conflict resolution, and governance activities are organized in multiple layers of nested enterprises.

Ostrom had carefully documented that these self-organizing resource management schemas were community-synthesized approaches that did not rely on private ownership on the one hand, or government institutions on the other. At their core, Ostrom noted that communication, relationship and trust among individuals were extremely beneficial ingredients, and that without these factors, noncooperation and resource exhaustion were much more prevalent.<sup>11</sup> At the same time, she frequently reiterated during her career that there is seldom a “one size fits all” solution to all resource management challenges, and thus she frequently turned to *polycentric governance* approaches to any complex economic system.



What is “polycentric governance?” In short, it utilizes a multi-tiered approach where input, responsibility, accountability and interaction from local, regional, national and international actors is combined to formulate and execute long-term, sustainable governance of complex (and sometimes even chaotic) socio-ecological systems. In a 2012 *International Journal of the Commons* article entitled “Polycentric Governance of Multifunctional Forested Landscapes,” Elinor Ostrom and Harini Nagendra summarized polycentric benefits this way:

“Polycentric governance tends to reduce opportunistic behaviour in forested and urban settings, even though no institutional arrangement can totally eliminate opportunism with respect to the provision and production of collective goods. Allowing citizens to form smaller-scale collective consumption units encourages face-to-face discussion and the achievement of common understanding. Creating larger collective consumption units reduces the likelihood of strategic free-riding behaviour of the wealthy. Larger units also can more effectively cope with goods and services that have large-scale effects and real economies of scale.”<sup>12</sup>

To explore Ostrom’s work is to encounter a third way of economics – not free-market-centric, and not State-centric, but a nuanced interplay between individuals, organically self-organizing community cooperation, and various scopes of formal institutional governance. It’s really as if Ostrom is grabbing hold of the butting heads of neoliberals, anarcho-capitalists and Statist progressives, gently turning them away from each other’s extremes of theoretical debate and toward an elegant, well-evidenced solution *operating in the real world*. “Look here,” we can hear her saying to them, “when people trust each other, and communicate with each other, and follow some simple design principles, they can very often solve challenging natural resource dilemmas, avoiding both depletion and opportunistic free-riding, while holding those resources as common property.” Sure, larger scopes of government need to be on-board, and production and management may ultimately engage free markets on a global scale, but the natural resources (or services, as the case may be) are neither fully socialized nor fully privatized. They are entrusted to



*the community of the commons*; in a real sense, they are not owned, but merely borrowed.

This is one way we can arrive at ownership without possession, and possession without ownership, in order to avoid the pitfalls of private property that we have elucidated thus far. When there is trust and community, and solutions are collective and participatory at that level, and in turn interface with larger civic institutions and processes that are democratically controlled, then the level of polycentric investment invites closer collaboration and cooperation from everyone involved. As Nagendra and Ostrom remind us, “Solutions need to be matched to ecological and social conditions so that participants have incentives to govern subunits of complex systems in a sustainable manner.”<sup>13</sup> This is the drumbeat we hear again and again in Ostrom’s work: such successes require localized understanding of the people and their environment, and it is from that understanding and involvement that appropriate incentives will arise. Why? Because at this level, where people are invested in their community, they care about each other, and about what happens to the resources upon which they rely.

And how do we foster trust except through mutual compassion and understanding? Isn’t each person’s love for others and the world around them again at the root of our political obligations here? Isn’t the *unitive principle* sufficient to cement those obligations and energize our ongoing commitment to them? And isn’t it worth investing in some pilot implementations to empirically validate this? I suspect that many will need more proof, though for me the link is obvious. In addition, Ostrom also warned of overgeneralizing her research, applying it to situations, resources, relationships and institutions not adequately documented through existing research. And of course this is a sound caution from the scientific tradition. But I think we have something meaningful to work with here; one of many starting points for synthesizing a new relationship with property that is less tyrannical, and more supportive of intersubjective autonomy.



## ***What About Personal Property?***

We can also derive with some confidence from the research of Ostrom and others around CPRs that individual sovereignty and original appropriation can be entirely de-linked; it is simply not necessary to own everything in sight in order to steer a course through life, earn a living, feel secure in one's social position, or constructively contribute to society. However, an important caveat for what we've discussed thus far is that *personal* property ownership may still be a necessity with respect to individual sovereignty and identity. For everything from a child's doll to a trade worker's tools, the advantages of having some form of personal property ownership – that is, exclusive control over a particular item – seem obvious. In the sense of privacy, personal control over one's living space and the property contained within it would seem to fall into the same category. Perhaps, aligning with Rudmin's assertions, such property and spaces are projections of an individualized self; regardless, I would argue they are, on some fundamental level, psychologically necessary.

The scope of such ownership will probably change from culture to culture, and individual to individual, but it seems reasonable and prudent to establish some sort of upper limit to personal property. We could also approach this scope in terms of exclusive use of common property, rather than ownership per se, either for a designated period or according to some specific need or outcome. At the same time, it is understandable that at some levels of moral or spiritual development, even personal possessions would lose their importance. But for most of humanity, a wedding ring is not precious because of its monetary value, but because of its sentiment; a favorite toy is a child's gateway to playful joy rather than a signifier of personal wealth; and a private, undisturbed room to sleep, make love or meditate is not a privilege of social status but the necessity of a richly intimate life. Thus the importance of a broad category of either personal property – or the exclusive outcome-based, needs-based or term-based use of common property – cannot be ignored.



## Interobjective Systems, Conditions & Artifacts

*Interobjective systems, conditions and artifacts* that foster the felt experience of individual sovereignty and ongoing *intersubjective social agreement*.

Although still malleable and customizable, there would likely be little debate about these universal processes, and they would have cross-cultural value and representation as relatively static features and functions of society. Thus these become social objects, systems, artifacts and conditions that relate to each other and society in fixed ways, rather than via dialogical dynamics between individuals and groups.

Having read this far, you will undoubtedly have come to suspect a chicken-and-egg conundrum inherent to the foundations of freedom being proposed. Let's say we can agree that liberty is optimized when social and economic organization at the community level is emphasized; when trust, collaboration and transparent communication are motivated by mutual affections; when private property ownership is relaxed in favor of a collectively managed commons; when civic institutions and governance at all levels are controlled at least in part through direct democracy; and when moral maturity embraces collective good above individual gratification. Okay, but how do we promote such conditions? Amid mass shootings, terrorist bombings, special interest hijacking of the political process, and left-right polarization of the body politic, how do we operationalize our *intersubjective social agreements* and the values they represent? In a world where Donald Trump can become a Republican frontrunner in a Presidential primary, where half of the U.S. electorate consistently votes to weaken democracy and strengthen plutocracy, where the democratic aspirations of an Arab Spring mainly delivered failed states and the oppressions of Islamist extremism to its hopeful populations, and where huge transnational corporations hold more power and influence than most governments...how can we ever bridge such a gap? How can we relieve the



poverties that interfere with liberty, when those most subject to them will often fight fiercely, irrationally and even violently to hold on to them...?

I believe this is where *interobjective systems, conditions and artifacts* become part of the solution. These represent the technologies, institutions, monetary systems, legal systems and so on upon which a given society is intended to function. They are created to maintain the material framework within which our liberty operates and is functionally supported. To clarify with some conventional examples: Interobjective *systems* are things like a pervasive education system or justice system; corresponding interobjective *conditions* would be the automatic cultural expectation to attend school and acquire an education, or the involvement of the justice system in regulating the rule of law; and corresponding *artifacts* would include things like a diploma or a stop sign.

The challenge for us in political economies dominated by State capitalism and private ownership is that the corporations who produce and maintain certain supportive technologies tend to prioritize their own profit-based concerns and agendas, civic institutions can become bureaucratically disconnected from both the will of the people and new values developments in society, and the rule of law can become distorted or coopted by special interests. When such distortions occur, then all of the foundations for liberty we have been discussing can be gradually eroded, forgotten, neglected, diluted or otherwise undermined. In addition, if there is too great a disconnect between *interobjective systems, conditions and artifacts* and the moral altitude and values hierarchies of the general population, that dissonance will antagonize both citizens and institutions, resulting in either paralysis, rebellion or both. I think this is precisely what we see happening in the U.S., especially in the relationship between conservative-leaning members of the electorate and federal and state governments. In this case, because a significant and highly motivated minority of the U.S. population feels that civic institutions and processes do not adequately reflect conservative values, that minority seeks to eviscerate those institutions and processes. In a substantive way, U.S. conservatives are clinging to



some of the variations of poverty that suppress their own freedom, while railing against central authority established to ensure liberty for all. From one perspective, the moral evolution of the U.S. Constitution and the embodiment of that evolution in *interobjective systems, conditions and artifacts* over time has effectively exceeded the moral maturity of an agitated and activist group of citizens. At the same time, this group and others feel so disconnected from the political process that voter apathy abounds – likely due to the aforementioned abstracting of the governing process.

So what can be done? How can the moral maturity of the U.S. electorate be revived, and all constituents reconnected to the political process of civil society? And how could similar challenges be addressed in other parts of the world? First let us remember Elinor Ostrom’s warning that “one-size-fits-all” solutions seldom have the flexibility to be universally effective, and thus a preference for polycentric proposals that can be tailored to local variables in each tier of governance. At the same time, we want to aim for ways to embody *intersubjective social agreements* that maximize liberty in the same way that a legal system aims to embody the core principles of its rule of law for everyone. Do we have proven examples of ways to accomplish all of this? I think we have all the pieces – many of which have proven reliable and sustainable – but they just haven’t yet been fit together into a cohesive whole.

Let’s take a moment to frame this in terms of cultural expectation of reward and punishment – in a way applying Ostrom’s “graduated sanctions” to both ends of the motivational spectrum. Any proposed civic institutions that reinforce and conserve the foundations of liberty as we have described them would need to reward (incentivize) the following – at least as they are expressed in recurring behaviors – in graduated ways:

- Taking personal responsibility for one’s own well-being, and the well-being of larger systems and relationships (society, immediate environment, larger ecosystems, natural resources, etc.).



- Interest in learning for its own sake, to understand complex relationships between concepts and fields of study, and to better oneself and society.
- Trust, cooperation and positive expectations of both community and government.
- Active engagement in political processes and joyful commitment to political obligations.
- Generosity, non-attachment to material wealth, sharing, etc.
- Open, cooperative, mutually supportive orientation to fellow citizens with respect to opportunities, resources and political influence.
- Prosocial behaviors and healthy emotional states (kindness, joy, tranquility, patience, tolerance, etc.).

By the same token, those institutions would need to discourage (disincentivize) the following – at least as they are expressed in recurring behaviors – in graduated ways:

- Reinforcement of infantilization and toddlerization regarding one's own well-being, and the well-being of larger systems and relationships (society, immediate environment, larger ecosystems, natural resources, etc.).
- Disinterest in learning for its intrinsic rewards and contributive benefits, elevating punitive fears of failing tests and low grades, and, via emphasis on rote memorization, disconnecting knowledge from interdisciplinary relationship and understanding.
- Mistrust, fear and negative expectations of both community and government.
- Apathy or noninvolvement in political processes and resentful avoidance of political obligations.
- Avarice, acquisitiveness, hoarding, theft, etc.
- Secretive, competitive, aggressive, hierarchical orientation to fellow citizens with respect to opportunities, resources and political influence.



- Antisocial behaviors and unhealthy emotional states (rage, jealousy, anxiety, stress, impatience, intolerance, etc.)

In our current interval of history, all manner of institutions have actually been energizing behaviors and attitudes that *invert* these incentives and disincentives, reinforcing the aforementioned poverties, and amplifying infantilization and toddlerization. Contemporary society seems to entirely contradict what both democracy and free enterprise originally set out to achieve, creating “graduated sanctions” and social structures that more resemble medieval feudalism than the advanced ideals of liberty. At the same time, these social structures have granted us a deeply felt illusion of freedom through entertaining distractions, material excesses, polemic discourse and medicating addictions – all of which carefully steer us away from recognizing or investigating our ever-increasing deprivation and servitude. It is as if modern society has taken an extended trip to Disneyland, then slowly forgotten that this is an amusement park and not reality. This happens because we receive partial satisfaction of our primary drives, an intermittent positive reinforcement akin to winning a “this makes me feel subjectively free” lottery every now and again. I won’t take the time to elaborate here on what I believe to be pervasive evidence that supports these conclusions, but would encourage you to consult both *Political Economy and the Unitive Principle*, and my essay “[Escaping the Failures of Capitalism](#),” for more extensive elaborations and resources. However, whether someone chooses to entertain these conclusions or not, the viability of the patterns we wish to incentivize and energize transparently aligns with the foundations of liberty we’ve already discussed.

### ***Infrastructure & Essential Services***

So how is this accomplished? Simply put, we can rely on *Participatory mechanisms with built-in accountability* to assist in this process, and we’ll cover those in the next section. However, those mechanisms won’t function very well – especially in our



complex, postmodern, multitiered technological, political, cultural and economic environments – without sophisticated and extensive infrastructure and services. Remember the iceberg metaphor I used earlier? Well, that massive support structure, often invisible or taken for granted, is what *interobjective systems, conditions and artifacts* will provide. This supportive infrastructure and essential services would include things like:

- **Ubiquitous Technology:** Pervasive internet communication technology and access equality; renewable energy production that is highly distributed and available to all; variations of equally available personal communications technology based on universally implemented standards.
- **End-to-End Mass Transit:** So that regular schedules of bus, trolley, train and plane can seamlessly transport people from within a mile of their homes to within a mile of any other urban or suburban destination on the planet at a relatively low cost.
- **Open Mediasphere:** All media and communications platforms, technologies, frequencies, channels and bandwidths are available to all contributors, and accessible by all consumers.
- **Equitable Legal Systems & Services:** Public funding of all lawyers and legal services; qualified judges appointed to limited terms by lottery and subject to recall votes; juries selected by lottery; adoption of Dworkin’s “Law as Integrity” or other consistency standard.
- **Protected Nutrition:** Guaranteed availability of low-cost basic nutrition; a robust and sustainable food supply (organic, genetically diverse, non-engineered); a move away from large, centralized production to more distributed, local production.
- **Universal Public Education:** For all levels of education, in all disciplines, provided equally to all applicants.



- **Universal Wellness Services:** For healing, health, well-being and self-care training and resources in all dimensions, and inclusive of encouraging moral development.
- **Universal Employment Training & Job Placement**
- **Universal Non-Profit Unemployment, Disability & Retirement Insurance**
- **Public Health & Safety Services:** Well-provisioned and staffed fire, police, ambulance, rescue, disaster mitigation, consumer protection, etc.
- **Public Housing:** Temporary public housing when pursuing education, transitioning between jobs or regions, engaging in retraining, holding public office, or during periods of disability, recovery or medical treatment.
- **Public Monetary System & Macroeconomic Stability:** Monetary system styled after the “Chicago Plan,”<sup>14</sup> and a favoring of a stable exchange rate and independent monetary policy over free capital flows.
- **Non-Profit Member-Owned Banking:** No more privately owned banks; no more privatize profits with socialized risks; no more high-risk speculative instruments.
- **Public Mail Service**
- **Reintegration Rehabilitation & Training for All Non-Violent Criminals**

Not only do these help provide a “universal social backbone” for civil society and its participatory mechanisms, they also form the basis of graduated rewards for behaviors that support the foundations of liberty for all, and graduated penalties for behaviors that undermine those foundations. There are a number of ways to enable accountability, but one would be a permanent database that tracks accumulated and expended *social credits*. These credits could only be used in the utilization of the essential infrastructure and services like those listed above, and they could not be traded. Although everyone would be granted monthly recurring baseline credits (in the spirit of Douglas’ National Dividend and other conceptions of a “basic income”), those credits could be increased – and potentially decreased – based on the *quality* and *quantity* of a) formal participation in civil society (direct democracy, citizens



commissions, jury duty, etc.); b) creative, inventive, intellectual and technical contributions to culture; c) demonstration of compassion, service to others, and moral maturity; d) improvement of community, advocacy of interculturalism, conflict resolution, group leadership, etc.; e) structural improvements, such as mitigation of human impact on natural environments, CPR management streamlining; etc.; and so on – I would anticipate hundreds of such “supporting the foundations of liberty” categories, most of which directly correlate with the relief of some variation of poverty. And of course behaviors and activities that antagonize the foundations of liberty and increase poverties would also need to be carefully defined.

Want to dedicate yourself to enriching society with your creativity, intellect, hard work and generosity? You will earn extra credits. Have a tendency to disrupt the well-being of your neighbors, cause harm to the environment, enrich yourself in unethical ways, abuse your position of authority, or perhaps circumvent all political obligations? Then your credits will not rise above the baseline – though they would also not drop too far below it, as that might incentivize more criminal behavior. Perhaps there could be other penalties as well, such as variations in the quality of certain services. Will there be folks who try to game the system? Sure, which is why there also need to be system monitors who are themselves accountable democratic controls.

### ***The Transitional Role of The Wealthy***

Yet another chicken-and-egg dilemma also presents itself: How can we provide a robust “universal social backbone” without relying on either an oversized federal government or equally gargantuan for-profit corporations? And how could we engineer graduated incentives and disincentives for the foundations of liberty when there is reflexive and aggressive resistance to doing so from all-of-the-above...? To answer the first question, we will need to concurrently develop robust *participatory*



*mechanisms* outlined in the next section. To answer the second, let's return for a moment to Aristotle (*Politics*, Book VI, Part V):

“Yet the true friend of the people should see that they be not too poor, for extreme poverty lowers the character of the democracy; measures therefore should be taken which will give them lasting prosperity; and as this is equally the interest of all classes, the proceeds of the public revenues should be accumulated and distributed among its poor, if possible, in such quantities as may enable them to purchase a little farm, or, at any rate, make a beginning in trade or husbandry. And if this benevolence cannot be extended to all, money should be distributed in turn according to tribes or other divisions, and in the meantime the rich should pay the fee for the attendance of the poor at the necessary assemblies; and should in return be excused from useless public services. By administering the state in this spirit the Carthaginians retain the affections of the people; their policy is from time to time to send some of them into their dependent towns, where they grow rich. It is also worthy of a generous and sensible nobility to divide the poor amongst them, and give them the means of going to work. The example of the people of Tarentum is also well deserving of imitation, for, by sharing the use of their own property with the poor, they gain their goodwill. Moreover, they divide all their offices into two classes, some of them being elected by vote, the others by lot; the latter, that the people may participate in them, and the former, that the state may be better administered. A like result may be gained by dividing the same offices, so as to have two classes of magistrates, one chosen by vote, the other by lot.”

If the nobles of ancient Carthage and Tarentum could voluntarily share their wealth and political power, then part of the solution is today's elite volunteering along similar lines – in this case within a much more complex environment and with new technologies and tools, but with similar intent. If the wealthiest members of today's society jointly agreed to support the formation of a “universal social backbone” and propagate new memplexes that prioritize the foundations of liberty, this would not only remove barriers to engineering a freer society, but accelerate its reification. One of the more beneficial *interobjective systems, conditions and artifacts* would therefore be an organized commitment from the established elite to sustain this transition. Consider, for example, if the world's most influential think tanks, affiliations and families were to adopt the attenuation or eradication of *all variations of poverty* previously alluded to as their primary agenda, and used their



extraordinary resources to champion authentic freedom. What greater legacy could there be?

At the same time, top-down approaches tend to fail if they don't coincide with grass-roots activism – for the problem intrinsic to *noblesse oblige* operating in the vacuum of self-referential values arises once again. Instead we must remember what Paulo Freire elegantly articulates in *Pedagogy of the Oppressed* (rev. ed. 1996, p.50-51):

“The oppressed, who have been shaped by the death-affirming climate of oppression, must find through their struggle the way to life-affirming humanization, which does not lie *simply* in having more to eat (although it does involve having more to eat and cannot fail to include this aspect). The oppressed have been destroyed precisely because their situation has reduced them to things. In order to regain their humanity they must cease to be things and fight as men and women. This is a radical requirement. They cannot enter the struggle as objects in order *later* to become human beings.

The struggle begins with men's recognition that they have been destroyed. Propaganda, management, manipulation – all arms of domination – cannot be the instruments of their rehumanization. The only effective instrument is a humanizing pedagogy in which the revolutionary leadership establishes a permanent relationship of dialogue with the oppressed. In a humanizing pedagogy the method ceases to be an instrument by which the teachers (in this instance, the revolutionary leadership) can manipulate the students (in this instance, the oppressed), because it expresses the consciousness of the students themselves....

...A revolutionary leadership must accordingly practice co-intentional education. Teachers and students (leadership and people), co-intent on reality, are both Subjects, not only in the task of unveiling that reality, and thereby coming to know it critically, but in the task of re-creating that knowledge. As they attain this knowledge of reality through common reflection and action, they discover themselves its permanent re-creators. In this way, the presence of the oppressed in the struggle for their liberation will be what it should be: not pseudo-participation, but committed involvement.”

We might assume that the will-to-freedom – the innate desire for the subjective experience of liberty – is a given for all of humanity, and that may very well be true



when the four primary drives aren't being satisfied at all. But when countervailing illusions of freedom successfully anesthetize these drives with "playing the freedom lottery" inducements, when bread and circuses distract us from the liberties we lack, and when the demands and stresses of daily life overtake awareness or concern about medicated servitude, aspirations to be free can quickly wane even if the latent desire remains. Thus disruption of the spectacle is also required to awaken the populace to its actual condition, so that the deceptive and artificial satisfaction of a will-to-freedom can be laid bare. And this effort can also be conserved and institutionalized in *interobjective systems, conditions and artifacts* – in fact it already has been in recent times. This is the character and objectives of various forms of leaderless activism, hacktivism, populism and civil disobedience persisting at the grass roots level into self-organized movements, and fueled by fundamental dissatisfaction with the status quo. In other words, these movements are also *necessary interobjective elements* in achieving a Goldilocks Zone of integral liberty.

It might be helpful at this point to reframe the attenuation or eradication of *all variations of poverty* in more proactive language, where proponents seek to establish and uphold a memplex that includes:

- *Freedom from existential crisis.*
- *Freedom from the tyranny of private property.*
- *Freedom of safety and security through equal treatment under the rule of law and protection from violence and the fear of violence.*
- *Freedom from deceptive manipulation, exploitation and coercion.*



- *Freedom from ignorance and equal access to multidimensional training, skills, knowledge, deep learning & information.*
- *Freedom of health, wellness and well-being through equal access to healing, training and nourishing resources.*
- *Freedom of speech and self-expression through equal access to all arenas of communication and media.*
- *Freedom and equality of travel and relocation.*
- *Freedom and equality of peaceful assembly and association.*
- *Freedom from prejudice, disenfranchisement and social isolation.*
- *Freedom and equality of privacy and participation.*
- *Freedom and equality of spiritual, psychosocial and moral development.*
- *Freedom and equality of opportunity through mutual trust, collective participation, and sharing of common property and communal social capital.*
- *Freedom and equality of "spaciousness" in free time, quiet and solitude.*
- *Freedom and equality of opportunity and support for self-reliance.*



## ***The Role of Integral Lifework***

Integral Lifework is my own invention, and its theory and practice are detailed in the book *True Love* (2009). Essentially, it is a method of nourishing and nurturing thirteen dimensions of being, so that the whole person heals, thrives and evolves in integrated harmony. Central to this method is empowering the individual to take responsibility for their own well-being; it is a collaborative, “client-centered” modality in this regard, and deliberately rejects expert-student, doctor-patient, guru-aspirant, externally-dependent dynamics. But the specific nuts and bolts of Integral Lifework practice are not the relevant focus here. What is more crucial to this discussion are the principles of such multidimensional support and its outcomes. In particular, what integral practice of any kind tends to enhance are *supportive structures for moral development*, and in particular a more unitive, love-centric orientation. This becomes particularly critical in the context of transforming an acquisitive, individualistic, competitive, egocentric society enslaved to commercialistic materialism into a compassionate, mutually supportive, horizontally collectivist society that is free from the tyranny of private property. Without the internal and external reinforcement of moral maturity, it is simply easier to revert to a more primitive, lowest-common-denominator modus operandi.

So Integral Lifework – or something like it – will also need to permeate all *interobjective systems, conditions and artifacts* in order for authentic liberty to be fully supported. Whether via childhood education, health and wellness services, personal counseling, worker training, or all of the above, all dimensions of being must be better understood, and better nurtured, by everyone. In a sense, this challenge is similar to that of individuation: if our self-concept and interpersonal relationships are submerged in unquestioned, undifferentiated enmeshment with parents, peers or lovers, and all our decisions and desires are reflexive imitations of these enmeshed relationships and the cultural traditions and expectations that shaped them, we will never fully know ourselves, and never fully be ourselves. We will have unconsciously adopted the habits of emotion, ideation and behavior that



dominate those established dynamics, and pass them on to each generation – also without much thought. The process of individuation, on the other hand, allows us to free our self-concept from codependent impulses, consciously decide who and how we want to be in the world, and then re-engage that world with a healthy self-sufficiency in our emotions, ideas and identity. This is really the bottom rung on the ladder of individual sovereignty, but it is often neglected – or worse, confused with individualism or selfish willfulness. But the point is that analogs of this process need to occur in all dimensions of being – spiritual, physical, intellectual, creative, etc. – so that we become less dependent (less toddlerized and infantilized), and able to operate in higher altitudes of moral function.

To summarize the broadening sweep of these proposals, the immediate *interobjective systems, conditions and artifacts* that would initiate the foundations of liberty and support the subjective experience of individual freedom would include:

1. A “universal social backbone” that supports the foundations of liberty and inherently mitigates *all variations of poverty*.
2. Memplexes embodying freedom-centric values hierarchies and the attenuation or eradication of *all variations of poverty*.
3. Elite think tanks, affiliations, families and other organizations that promote both these memplexes and the formation of a *universal social backbone*, while lobbying other elites to pursue a similar agenda and proactively engaging with activism at all other levels of society.
4. Grass roots, leaderless activism that agitates and educates around these memplexes, advocates for a *universal social backbone*, and disrupts false representations of liberty.



5. Integral Lifework or equivalent multidimensional self-care education, training and resources for all ages – to encourage self-reliance, personal responsibility, and moral maturity.
  
6. *Participatory mechanisms with built-in accountability* to operationalize democratic will at all levels of government, economy and enterprise.

Over time, these would evolve into broader, pervasive, horizontally collectivist structures, with less and less differentiation between regions, classes, cultures and even localized customizations of political economy.

In order to maximize the Goldilocks Zone of liberty, there will of necessity be an inexorable homogenization of cultural interfaces around the globe, as a byproduct of intensifying interdependence. This is actually already occurring without conscious collectivism – because homogenization (of workers, consumers, culture, etc.) increases efficiencies under globalized capitalism. A central difference in the homogenization process being proposed, however, is that it would be more organic, rhizomatic and self-organizing, percolating up from diversely unique expressions of human community and operating at the boundaries – rather than being imposed from the top down onto every individual as it has been under oligarchic globalization. It would be a voluntary synthesis from a prosocial unitive orientation, rather than compulsory compliance out of fear of poverty, aggression and oppression, or the byproduct of mindlessly destructive greed.



## Participatory Mechanisms with Built-In Accountability

*Participatory mechanisms with built-in accountability* for supporting, enriching, moderating and promoting all other factors in the most egalitarian, diffused and distributed fashion. These could include distributed, daily direct democracy; Open Source initiatives and petitions; regular community meetings and online forums; participatory economics; worker-owned cooperatives; community management of banks and land; as well as civic lotteries for citizen commissions and all levels of polycentric governance networks.

One might think this to be the easiest of topics – for we all know what “democracy” is, right? Well perhaps not, for, as previously alluded to, democracy as a mechanism of public consent has been greatly obscured in its contemporary expressions – much like the obscuration or mediocritization of many other great ideas once they have entered a commercialist mainstream. If the underlying intent of democracy is to operationalize the will of the electorate in civil society – to express that will in the rule of law and the activities of civic institutions – then we seem to have fallen woefully short of that goal at every level of government throughout the modern and postmodern eras. It should be reiterated that, in the U.S. as elsewhere, power has been systematically wrenched away from the people via corporate influence and the agendas of wealthy shareholders.<sup>15</sup> I have written about this elsewhere,<sup>16</sup> as have many others (Klein, Chomsky, Palast, Hedges, Reich et al) in more detail, but there are plentiful examples. Where do the majority of funds for election campaigns come from? Who controls most commercialized mass media? Who actually authors much of the state and federal legislation? Who has the largest number of dedicated lobbyists advocating for their agendas? Who funds the legal challenges to regulatory laws, and strives to place its own former lobbyists and leaders in regulatory oversight positions? Who benefits the most from gargantuan military spending? Who consistently demonstrates the most aggressive and immediate



interest in molding all branches of government to its will? When answering these questions, following the money is remarkably straightforward, and inevitably leads us to the same players: corporations, their cronies and wealthy shareholders.

Now and again a new hope arises in the democratizing power of various technologies. We saw this in Egypt and elsewhere in the Middle East, when social media played such a significant role in the Arab Spring. And the Internet itself has for a time provided a relatively level playing field for freedom of information access and self-expression. But even the Internet is rapidly conforming to an oligarchic model. Who is tuning search engines and manipulating search results to serve commercial interests above all others? Who is attempting to nullify Net Neutrality and weaken FCC oversight of the Web? Who has turned web browsers into commercial data-gathering engines that commoditize Internet consumers themselves? Again we arrive at the same players as we did before: corporations, their cronies and their wealthy shareholders. It doesn't matter that a progressive, populist President says he will defend Net Neutrality if he appoints a former venture capitalist and cable industry lobbyist to head the FCC.<sup>17</sup> And it doesn't matter if Congressional lawmakers temporarily acquiesce to public pressure regarding Internet freedoms, if they simply wait until a later date to sneak rider language into budget legislation that sabotages Net Neutrality.<sup>18</sup> In the political rhetoric vs. reality equation, corporate agendas remain focused and relentless even as public interest, attention and opinion ebb and flow.

### ***Open Source Governance & Direct Democracy***

The Internet actually provides us with a useful model for the participatory nature both of freedom itself and the mechanisms required to sustain it. Consider these helpful equivalencies:



- The digital divide mirrors wealth, class, educational and other divides in that without certain equitable foundations for all, the opportunity to exercise freedom is abundant for some, and non-existent for others. If someone doesn't have a certain kind of technology available to them – or have use of it for the same amount of time, or via the same network access speeds, or with the same level of security from theft of personal data, etc. – *they will not have the same effective facility or utility regarding Internet resources.* They will not have *effective* Internet freedom.
- The Internet is by nature a highly distributed, participatory phenomenon. On the one hand, it has working parts everywhere around the globe which are bound by common operating assumptions, processes, protocols and technologies, mirroring the *interobjective systems, conditions and artifacts* required to sustain freedom; this is equivalent to a backbone of infrastructure and essential services discussed previously. On the other hand, the substance of the Internet is provided in a primarily Open Source fashion by everyone who accesses it, whether by sharing their videos, pictures and written commentary, or by authoring an informational website, or by participating in social media and discussion groups, or coding shareware for download, or otherwise generating freely accessible content.
- A more selective class of Internet user contributes the mechanisms for participation (blogs that allow commentary, survey engines and data, websites that specialize in Q&A, social media platforms, etc.), and, up until recently, the only barrier to engineering such mechanisms has been technical know-how, relatively inexpensive hardware, and access to Open Source platforms and tools. As the Web has evolved, however, this class has become more rarified, with its requirements for participation increasingly demanding in terms of technical sophistication, resources and startup capital. This, too, mirrors the increasing sophistication and complexity of



mechanisms for collective participation in democracy itself. For where once a rural farmer could attend a town meeting to discuss relatively straightforward community concerns (with a handful of peers who likely shared similar experiences), now the participants are exponentially more numerous and diverse, the issues at hand more nuanced, the data influencing a decision more multifaceted, and the technologies required to coordinate, compile and communicate collective decision-making are orders of magnitude more complex. Still, although they are gradually trending towards increased corporate control, the Internet's participatory mechanisms have retained a high degree of distribution, diffusion and egalitarianism.

- A substantial driver for Web-centric interaction has been knowledge diffusion itself. Whether seeking automotive repair advice, consumer opinions about local businesses, expert insights about home improvement products, research on philosophy, or professional education and training, the Internet is brimming with immediately accessible information-rich services and resources.

The ideal expectation of freedom for both the Internet and democracy, it can be argued, is for a universal equivalency in all levels of access, ability to contribute, high quality information, ongoing dialogue, and involvement in the execution and oversight of facilitative mechanisms. At the same time, the parallel also indicates the necessity of certain specialized skillsets to engage in the technical aspects of increasing complexity; technocrats, if you will. In the Open Source community, those who consistently provided the highest quality contributions to various projects over time have become de facto authorities and gatekeepers for those efforts. This has been the quasi-market element of the Open Source revolution. In the same way, as human civilization continues to evolve, there will be always be a need for specialists to both engineer, maintain and safeguard the social backbone of



infrastructure and essential services, and to engineer, maintain and safeguard the mechanisms of democracy itself.

In a State capitalist, market-centric political economy, these roles are routinely perverted by the tectonic pressures to increase profits. In authoritarian, Statist socialism, these roles are relegated to institutional bureaucracy and single-party rule. But in a direct democracy with socialized infrastructure and essential services, where the responsibility for decision-making is pushed down to the community level, there can be a healthy tension between technocrats who are elected to administer participatory mechanisms, and the constituents who vote frequently – again perhaps even in a daily fashion – to shepherd outcomes. Informed by the Open Source model, if those technocrats are additionally held accountable for the quality of their efforts – the justification of merit – through term limits and recall mechanisms, then institutional bureaucracy will itself be moderated through universal, collective participation.

And just as we can restore the Internet itself – and all of its products, services, and information repositories – to the ongoing evolution of Eric Raymond’s “bazaar” model of Open Source development,<sup>19</sup> we can establish equally open, Internet-based democratic processes and dialectic forums that mirror the same principles to generate legislation, manage complex processes, debate the merits of various policies and practices, and make collective decisions about the infrastructure and essential services at all levels. Will this require even more open and sophisticated knowledge sharing and development than currently exists? Absolutely – expertise will no longer be a proprietary domain, and although certain individuals or communities may rise to prominence in specialized areas of discourse and decision-making, this will be the emergent result of proven merit, experience and insight rather than demagoguery, social capital or affluence. Will we need to develop new, secure systems of electronic voting, data collection, moderated public debate, legislation development and enactment? Yes, but we already have the technology to do this. Will there need to be larger, more diverse datasets with more accurate



mining and validation tools, transparently accessible to all of the public? Sure...informed decisions can't be made without accurate, unbiased information that captures many different perspectives. And there will also need to be qualified technocrats – perhaps elected, or selected by civic lottery – to oversee a secure and equitable execution of such an Open Source democracy. But all of this is doable, and in fact there are already Open Source governance experiments along these lines around the globe.<sup>20</sup>

For comparison, what are some existing mechanisms where direct democracy is actually in play? Where does the will of the people express itself in reliable ways, as moderated and channeled by technocratic processes? Sadly, this is extraordinarily limited. Here are some examples that seem to be enduring, though many still remain flawed:

1. **Juries selected by civic lottery.** Jury members are meant to be randomly selected, remain insulated from the influence of parties interested in the case they are jurying, and provide a consensus opinion about a defendant's guilt or innocence. The court system itself represents the technocratic regulation and facilitation of this process.
2. **Citizen's initiatives.** A ballot measure voted on by the electorate. Here the waters can often become muddied with misinformation campaigns on both sides of a given issue, and by any vagueness of language that could be manipulated in court challenges if the initiative becomes law, so this is an imperfect democratic process at best. However, a democratically elected legislative infrastructure offers technocratic stability for this process.
3. **Referenda.** Similar to the initiative process, but specifically addressing the repeal of existing legislation or recalling an elected official.



4. **Direct polling.** With a large enough sample and a carefully randomized demographic, this can provide meaningful data about the interests and opinions of the electorate, which in turn can influence policy. Here non-profit research institutions or NGOs provide the (technocrat-managed) sampling, compiling and reporting of data.
  
5. **Direct democracy.** This has had limited application in actual governance, but has had longstanding success in Switzerland where legislative vetos and referenda at the community, canton and federal levels are all enabled by direct democracy. Where 100,000 signatures on a petition will get a formal response from the White House in the U.S., the same number in Switzerland can demand changes in the Swiss constitution through a mandated legislative process and final direct referendum. So there, it is the constitution itself which defines the responsibilities of administrative technocrats elected to the task.

Again, though, in modern State capitalist democracies like the U.S., it is predominantly the will of the wealthy that is captured in the democratic process. Who has the time and resources to be a delegate or alternate to primary conventions? Who has the time, resources and education to promote their agenda at community meetings or in public comment periods? Who can afford to back an initiative or referendum, collecting enough signatures to get them on a ballot? What kind of person generally self-selects to become an elected official, and how do they fund their campaigns? The presumption which has hyperbolically alienated direct democracy from serious consideration is a fear of “the tyranny of the majority” (Adams, Mills, Rand), a concern that individual and minority interests would not be represented or protected by majority rule. This has been an almost exclusively theoretical objection, however, since in all instances where direct democracy has been utilized, no such oppressive tyranny has materialized – or, perhaps more accurately, it has rapidly self-corrected. A potent example of this was the statistical inversion of opposition to gay marriage in California from 2008 to 2012, a



phenomenon echoed in many states around the U.S.; where in 2008 52% of Prop 8 voters were opposed to gay marriage, by 2012 53% of voters polled were in favor of marriage equality,<sup>21</sup> and this trend of tolerance seems to be continuing.

This is why we need a different approach to direct democracy. Here is what I proposed in *Political Economy and the Unitive Principle*:

As for institutional reforms, why not implement direct democracy at the community level? Using existing technologies, direct democracy could be regularly realized on a vast scale. Imagine a societal expectation that, every day, citizens would vote on any number of decisions with real-world consequences in their community, and do so from the comfort and convenience of their homes; we might call this "daily direct democracy." This could shape the prioritization of infrastructure funding, or zoning for certain business activities, or the number of regular police patrols in local neighborhoods, and so on. Whatever strategic or tactical concerns could easily incorporate direct democratic decision-making would be reviewed each day, and revised and adjusted as citizens observed the impact of their decisions over time. Regarding decisions where specialized knowledge is needed, votes could be organized, solicited and even weighted based on a combination of self-reported interests, expertise and experience. Imagine further that such expectations are tied to certain social privileges - that participation in governance and planning affords benefits that would otherwise be limited or unavailable.

For community issues that require more advanced, rare or specialized knowledge - and perhaps coordination across multiple tiers of government or longer decision-making cycles - community members selected through automated lotteries could participate regularly as part of citizen commissions and community development teams, each with a clearly defined scope of responsibility, interagency liaising, preparatory training, and expectation of wider public input and reporting. Such teams and commissions could work in conjunction with elected officials and established government agencies for a limited period of time, then relinquish their position to the next group of lottery appointees. As alluded to earlier, some percentage of government agency positions would be selected via lottery as well. All of this is intended to mitigate the dangers of entrenched government bureaucracies, special interest influence, and career politicians who serve their own interests above those of their constituents. Here, however, citizen participation is mandatory and regular, demanding a



high baseline level of education and ongoing awareness about community concerns and governance.

But really, shouldn't the participatory process and its mechanisms be decided by the electorate itself? And shouldn't these remain malleable to consensus adjustments in response to new technologies or conditions? It seems obvious that this be the case. And, as I continue in *Political Economy and the Unitive Principle*:

All of these ideas highlight an important consideration: in order to participate effectively in their own governance, community members will require extensive knowledge in the principles of community resource management, economic development and consensus building, as well as a more rigorous continuation of that education moving forward. To this end, the lessons of past successes should inform the proposed dynamics between government agencies, citizen commissions, grass-roots organizations and direct democracy. These would include empowered community organizing, awareness and development efforts, worker/consumer-owned cooperatives that have worked well, and effective partnerships between CDCs, CLTs\* and the communities in which they reside. Replicating the checks and balances of the overall political economy, communities would need to integrate the technocratic proficiencies of elected positions, the efficiencies of central planning and coordination, a will of the people that is both informed and compassionate, and many of the risks and benefits of free markets.

Under the same umbrella, the labor and resources that actualize community decision-making would, to whatever degree possible, be sourced from the community itself. How can self-sufficiency in decision-making be fostered if the cost of those decisions isn't borne by the community? As already mentioned, I like the idea of incentivized public funding and participation, where those who contribute the most in terms time, resources or ideas are rewarded with a certain level of benefit from outcomes, such as a certain quality of service, or guaranteed utilization. The valuation of contributions should of course be multidimensional, so than everyone who desires to do so can contribute in some way. But those who refuse to contribute - who consistently demonstrate that they do not value civic participation - should be afforded either fewer benefits, or benefits of lower quality.

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\* Community Development Corporations and Community Land Trusts



One of the challenges in operationalizing such a vision for liberty and democratic self-governance will continue to be disabusing notions of individual freedom and representative democracy that were envisioned in the simplistic, agrarian, pastoral, homogenous contexts of the past. Resources are not infinite. Private ownership is not rational, and neither its tyranny nor centralized State control is required to avert the tragedy of the commons. Individual sovereignty is not a natural condition but a socially granted one. An evolving majority consensus is not tyrannical – it just takes time to find its own level. Human utility is not the sole determiner of intrinsic value. Wealthy white men are not the only people competent to lead or generate good ideas. Individualism erodes liberty, while horizontal collectivism protects it. Free market capitalism is just as oppressive as feudalism. Socialized infrastructure and essential services need not be feared, and are already part of all of the world's largest mixed economies. Locke and Hobbes made errors in their assessments based on limited data. And so on. These are the counter-tropes we must continue to elevate in collective awareness, supporting them with the wealth of evidence available, gently correcting ignorance over and over again until plain truths penetrate mainstream assumptions about the nature of liberty.

It bears repeating that the success of any form of democracy – and perhaps direct democracy in particular – is profoundly dependent on equal access to education, unbiased information resources, the unrestricted opportunity to vote, and the many other elements of both the “universal social backbone” and the freedoms outlined in the last section. To make informed, skillful decisions about any issue, those who are voting should not need to be persuaded by anyone, but only given access to balanced informational resources, a clearly communicated conception of the issues in play and the remedies being proposed, an explicit expectation that they participate in the democratic process (and a thorough understanding of consequences if they choose not to), and plenty of time to come to an informed decision. In other words, direct democracy demands direct attention and involvement; a pronounced interest and engagement in the democratic process, *because it is so clear where the responsibility for collective self-governance lies:* with



the people themselves. As Stan Lee (rephrasing Voltaire or Hansard) reminded us: “With great power comes great responsibility.” My own rejoinder would be: “When the people know they alone are responsible, they will become responsible.” No one can learn how to wield power until they are fully entrusted with it.

It is important to note that, although technology can provide many streamlined, immediate ways to engage in the political process, the immense value of in-person meetings should not be overlooked. This is where values are affirmed, trust is cemented, and nuanced layers of communication occur; for the dangers of *abstraction* I alluded to regarding representative democracy are also a hazard of virtual interactions. The kinds of face-to-face meetings people choose at the community level – or how they decide to configure in-person conventions or congresses at higher levels of governance – will of necessity have wide variability between communities, cultures and unique styles of political economy. But regular in-the-flesh assemblies have nevertheless always been a critical component of cohesive sociality.

But whether the community meets virtually or in person, engagement is a significant point in terms of political obligation: the expectation of voluntary participation in daily direct democracy creates a clear avenue of acceptance for all intersubjective agreements, a demonstration of reciprocity between collective stability and individual sovereignty, and provides an intimate and fluid feedback mechanism for all political processes. Additionally, it is unnecessary and indeed counterproductive to constrain participatory mechanisms exclusively to public governance, for free enterprise can benefit from democratic reforms as well. And thus we arrive at a second major category of participatory mechanisms: worker-owned cooperatives.



## ***Worker-Owned Cooperatives***

Simply stated, this is a successfully demonstrated approach to solving many of the problems in shareholder-centric capitalist enterprise, including the tyranny of private property, the tensions inherent to establishing owner-management and workers as separate classes, and ensuring the safety, well-being and job security of workers, and adequate diffusion of knowledge and training – all of this while still providing opportunities for competition in both non-profit and for-profit environments. Production on nearly every scale can be delivered by networks of worker-owned cooperatives who routinely vote on working conditions, compensation, strategic and tactical directions of the business, internal management structure, customer relationships, integration with local communities and so on. This is basically a “direct democracy for organizations” structure that can be (and has been) implemented in nearly every business sector, from banking to manufacturing to shipping to farming to garbage collection to healthcare. To fully appreciate the nuts and bolts of implementation, the breadth of some real-world experiments, advantages over bureaucratic organizations, and the rationale behind worker-owned cooperatives, I recommend consulting *The Cooperative Workplace* (1989) by Joyce Rothschild and J. Allen Whitt. Here are excerpts from that work that touch on some of the central themes we inevitably revisit when individual and collective wills intersect – in business or anywhere else:

“An organization, of course, cannot be made up of a collection of autonomous wills, each pursuing its own personal ends. Some decisions must be binding on the group. Decisions become authoritative and binding in collectivist organizations to the extent they arise from a process in which all members have the right to full and equal participation.” (p. 51)

“Collectivist organizations generally refuse to legitimate the use of centralized authority or standardized rules to achieve social control. Instead, they rely upon personalistic and moralistic appeals to provide the primary means of control. In addition, the search for a common purpose, a continuing part of the consensus process, is a basis for collective coordination and control.” (p. 54)



“Impersonality is a key feature of the bureaucratic model. Personal emotions are to be prevented from distorting rational judgments. Relationships between people are to be role based, segmental, and instrumental. Collectivist organizations, on the other hand, strive toward the ideal of community. Relationships are to be wholistic, affective, and of value in themselves.” (p. 55)

“In sum, where the process of criticism is collectively sanctioned, it may serve a constructive function for the organization. By making the leaders or core members publicly and legitimately subject to members’ criticisms, such forums tend to reduce the inequalities of influence and to check personal abuses of power.” (p. 87)

“Demystification was defined earlier as the process whereby formerly exclusive, obscure, or esoteric bodies of knowledge are simplified, explicated, and made available to the membership at large. In its essence, demystification is the opposite of specialization and professionalization. Where experts and professionals seek licenses to hoard or at least get paid for their knowledge, collectivists would give it away. Central to their purpose is the breakdown of the division of labor and the pretense of expertise.” (p. 114)

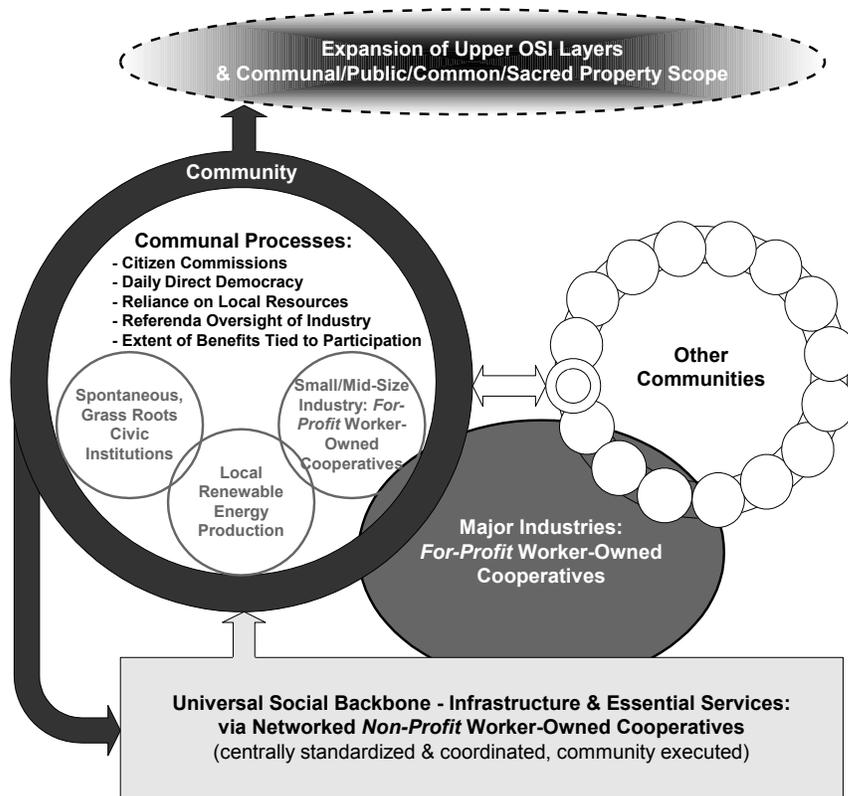
“Worker solidarity, like commitment, is of significance beyond the gains in worker satisfaction and morale that it may bring. One research team has found in its study of cooperatives in developing countries that high solidarity goes with various measures of economic success, just as low solidarity goes with economic failure (Abell and Mahoney, 1981, p.14). This team posits that cooperatives rely on their solidarity and commitment advantages to achieve their economic performance; if these are lacking, the result is more diseconomies than in a conventional enterprise. As is apparent from the organizational features outlined in Chapter 3, a collective orientation depends on mutual trust. Internal conflict is especially disruptive precisely because of the consensual basis and personal relations that characterize these groups. Thus, compared with conventional firms, higher levels of worker commitment and solidarity are often observed in cooperative enterprises – but by the same token, they are also more necessary.” (p. 165)

“In light of the available evidence, we are led to provisionally conclude that worker ownership and democratic management often can be turned into a labor productivity and profitability advantage. But this economic advantage is precarious in cases where mechanisms are not established to give workers more voice in company affairs.” (p. 167)



Over the following decades, additional research has confirmed many of Rothschild and Whitt's observations as being highly predictive of enduring worker-owned cooperatives around the world.<sup>22</sup> That research indicates that employee-owned cooperatives often outperform non-employee-owned competitors, tend to demonstrate more resilience over time, and provide greater worker satisfaction and sense of purpose – as long as there is ongoing democratic engagement, sufficient internal education and training, and a culture of self-awareness and constructive mutual evaluation. Competition with other enterprises can of course be stimulative as well. In many ways, the successful characteristics of these cooperatives parallel the design principles of Elinor Ostrom's common pool resource management – and indeed what seems to work in most collectivist approaches.

In *Political Economy and the Unitive Principle*, I advocate for two layers of worker-owned cooperatives. On the one hand, there would be a non-profit layer of producers and service providers that compete with each other to provide all the features of the “universal social backbone.” This idea was inspired in part by non-profit health insurers in Switzerland who compete with each other for healthcare customers. On the other hand, there would be a for-profit layer of worker-owned cooperatives participating in a more traditional exchange economy for goods and services above and beyond the universal social backbone. Over time, as fiat currency, banking systems and perhaps even the exchange economy itself are replaced with more egalitarian, horizontally collectivist, distributed and participatory mechanisms, then “for-profit” and “non-profit” designations will likely evaporate. Economies could be negotiated and coordinated entirely through Open Source manifestations of direct democracy, with the means of production shifting back to communities and people's homes through advanced automation. Even the concepts of “worker-ownership” and ownership shares in communal resources or enterprises could dissipate, migrating through phases of social credit accounting into an as-yet-unconceived gift economy. As a helpful exercise, we can imagine various configurations and innovations to enable this transition, but the reality will need to respond to evolving conditions in rhizomatic ways.



Initially, however, the two proposed layers of enterprise could encompass a majority of business entities – though clearly flexibility should be given to very small businesses, and perhaps even to a limited number of industry-disruptive innovators and outliers who feel (correctly or incorrectly) that collective decision-making will inhibit their unique creativity, work styles and tastes. Remembering Ostrom’s observations, we should expect adjustment to unique variables and local conditions for any proposals. At the same time, we can be fairly confident that other approaches to reforming shareholder-centric enterprises, such as benefit corporations or B Lab certified corporations, will ultimately fall short of adequately moderating the corrosive ethos of hierarchical property ownership – the problems are too endemic. As I write in *Political Economy and the Unitive Principle*:



“There have been proposals to remold U.S.-style capitalism into a more just and compassionate system. Efforts like "conscious capitalism" and its offspring, B Corporations, are the latest incarnation of an enduring American optimism that corporate culture can be changed for the better. In a similar vein, "natural capitalism" attempts to introduce true-cost accounting for natural resources, thereby recognizing externalities usually ignored by free markets, with the hope of lessening both waste and negative impacts on those resources. And of course there are an endless series of management training and organizational development consultants who will help re-brand a company into a worker-friendly, environmentally conscious, civically constructive enterprise. None of these efforts, however, have changed the market-centric assignments of property *ownership* in the U.S. system.”

Intellectual property would follow a similar path to collective ownership as we inevitably move towards an Open Source orientation, achieving maximum knowledge diffusion, contribution and collaboration. Remember that, for those whose level of moral maturity requires personal benefit to incentivize innovation, socially productive efforts are still rewarded via the *social credit system*. But there would be no longer be the massive concentrations of wealth resulting from exclusive ownership by individuals or organizations, so that patents, trademarks and copyrights would tend to be collectively held and have relatively brief legal durations – perhaps ten years at most.

In addition to free enterprise, we can now consider another participatory ingredient alluded to in the graphic above: spontaneous, grass roots civic organizations.

### ***Spontaneous, Grass Roots Civic Organizations***

A convenient way to categorize this phenomenon is “community organizing,” and plentiful resources are available on the topic. All we are really concerned with here is the civic function such organizing serves in the context of authentic liberty, and some useful participatory models for these grass roots institutions. As Michael



Brown describes them in his superbly practical guide, *Building Powerful Community Organizations* (2006, p.1-2):

“Community is one of those things that is hard to define, but you know it when you are in it. It is a feeling that you are not alone, that you are part of something greater than yourself – but yet, even when you are in it, you are still yourself. It does not swallow you up; rather, it builds you up. It is not all for you and you are not all for it. In a community there are people around you whom you like, although you probably do not like them all equally. The people of the community are there for you when you need them and you will be there for them when they need you.

Community organizations come in all shapes, sizes, and varieties. Every community organization holds all the complexities and all the hopes, dreams, and visions of the people who join it. Community organizations may look different but they all have at least two things in common:

1. Community organizations strive to develop a sense of community among their members.
2. Community organizations organize people to do what they cannot do by themselves....

The exact alchemy that transforms a group of individuals into a community organization is elusive, but it is clear that the process requires intuition, a good sense of timing, a gift for strategy and for relationships, and healthy doses of boldness, leadership, persistence, perseverance, passion, commitment, and courage. One person usually does not have all those qualities; that is why it takes a group. Add to this list: *mistakes*. You will make mistakes along the way, and that is to be expected. You can learn from them.”

At first Brown’s definitions may seem simplistic and even vague, but he is hinting at the very nature of human society – a complex organism of dynamic interdependence that relies on multiple centers of intelligence and multiple avenues of cooperation. He is also speaking to the spirit of experimentation and inherent variability that community organizations represent, as well as *the necessity to learn from doing*. Thankfully he offers plentiful examples of how all of this has played out over his thirty-year involvement, and relentlessly promotes what he calls the Iron Rule of



Organizing: “never do for people what they can do for themselves;” here even leadership itself is about developing other leaders, rather than taking control. Again we can feel the resonance with other collective proposals, with the democratization of all processes, with Elinor Ostrom’s design principles, with the inclusive and egalitarian attitudes and practices, and so on. These ideas – that is, what works in the real world – are all cut from the same cloth. And, in harmony with the unitive principle, regarding recruiting Brown advises (p. 133):

“You want people who care about the issue, but not *only* about the issue. You are looking not simply for people who have a personal self-interest in the issues you are working on, but people whose self-interest is deeply motivated, not narrowly defined. What are their stories? What is their motivation? Beware of people who say that they are *not* at all personally motivated, who are doing it only to help others. They are not likely to last long in your organization. Also beware of people who seem to care *only* for themselves (to get *their* raise, to lower *their* water bill, to get rid of the abandoned cars on *their* street). You *definitely want* people who care deeply about the issue your group is working on. But you also want those who think about others as well as themselves.”

This cross-pollination is so evident that we can clearly integrate the insights Brown, Ostrom and Rothschild, Whitt and the many others who have written about horizontal collectivism to inform all of our participatory mechanisms, while never forgetting the ultimate aim of championing the *subjective felt experience of liberty* for all.

### ***Polycentric Governance Networks & The Urban Landscape***

The final piece in participatory mechanisms will be polycentric governance. Just as we cannot operate as isolated, autonomous wills within our community, each community, organization, business and local government cannot operate as an autonomous entity without reference to everything and everyone else around it. The level of intimacy and fluidity of communication between these entities will



determine their democratic efficacy and realization of authentic freedom. From *Political Economy and the Unitive Principle*:

“In many ways, the specific details of community-centric visions and processes matter less than the importance of engagement and dialogue both within a community, between communities, and between each community and the regional, national and global apparatuses of economy and government. The encouragement that such interactions become more intimate rather than less is paramount. One of the most destructive disconnects of the modern age is the perpetuation of the isolated individual or family that has no relationship with their community, its government and its resources, other than through paying a fee for a service, a tax for infrastructure that is taken for granted, or a vote to empower a stranger they have never met who will make decisions for them. This distancing of cause-and-effect into non-relating, discompassionate, reflexive and often apathetic exchanges is a principle destroyer of social cohesion. To reverse this trend, we need to reconnect with each other.”

We must expand polycentric governance to include all stakeholders in the democratic process, at all altitudes of governance and interdependency. Community organizations, direct democracy, citizens commissions, civic government, NGOs, all scales of worker-owned enterprise – all of these and more will need to have a place at the table when generating consensus around policies and decisions that affect their interests. But the core values of polycentric governance are the same as the other collective efforts, emphasizing self-governance and self-organization at the most localized level possible for a given concern (i.e. the principle of *subsidiarity*), once again trusting communities – or networks of communities, as the case may be – to work out solutions for themselves and between each other, *rather than officials doing everything for them*. Thus, just as we emphasize horizontal collectivism at the community level, the ongoing discussions and agreements for larger and larger circles of inclusion are engaged primarily through horizontal participatory mechanisms, rather than through vertical arrangements; solutions and responsibilities percolate up from collective involvement, rather than down from representative authority.



And now we can return briefly to Aristotle's concept of the city state – or, perhaps more accurately – the largest circumference of organic self-organization that seems to naturally occur in the modern world. Having lived in or near several large cities in the U.S. and abroad, and having travelled to many more, what seems clear is that as cities grow, they maintain distinct interior boundaries – at least in Western cultures. What inevitably occurs is a division according to six distinct themes: commercial districts, historic or invented micro-cultures, wealth (i.e. desirable real estate), homogenous populations tied to certain services or industries, tourist destination areas, and high-turnover rental areas. These themes influence each other, are often fluid and of course overlap, but what is particularly interesting is that humans still gravitate towards distinctly bounded communities – indeed we seem to long for it. Even in densely populated regions, there will be a unique flavor to different city districts, condominium developments, neighborhoods, commercial strips, apartment buildings and so forth that correspond to these themes. Even in sprawling suburbs, there will be areas that are more desirable than others because of the particular breed of community there. This is often intangible, and may in some cases be connected to the quality of services available nearby, the landscape, access to preferred resources (distance from employers, shopping areas, recreation, restaurants, etc.), but it is nevertheless clear to anyone who has lived in different areas of the same city that there are completely different flavors of community available in different neighborhoods, and that those neighborhoods are both geographically contained, and numerically capped in terms of population.

What moderates this organic process of cultural organization are six powerful influences: communications technology, transportation technology, population growth and density, employment locations, energy and goods production, and natural resources. Communications technology allows us to order things online or over the phone for home delivery and connect with friends and work remotely. Transportation technology allows us travel quickly over long distances to reach an employer, activity or service. Increases in population and density amplify competition for all resources and the pressures on vertical production and



distribution. Employment locations are generally not located in the most desirable residential areas, and can often involve long-distance communication and travel. Energy and goods production tend to be highly centralized away from urban centers – up to hundreds of miles away in the case of electricity and produce, and thousands of miles away in the case of fossil fuels and consumer goods. And, similarly, natural resources (arable land, potable water) can be hundreds or thousands of miles away as well.

Echoing Schumacher’s observations in *Small Is Beautiful*, this “6x6” formula of themes and influences has produced an ever-exaggerating tension between increasingly hierarchical global economic activity and the natural size and geographic centrality of human community. And as cities expand and merge with neighboring communities, while dependencies on - and volumes of – remote food, energy and goods production continue to grow, this tension will only be compounded, creating a deepening chasm between what industrial, technological and economic drivers promote, and the social structures and relations we most crave in order to feel free and thrive.

There are many ways to remedy this tension, and some of them have already been attempted. One is to use the globalizing technology itself to create virtual communities of shared values and interest, and Internet-based social media has made enormous strides in this regard. Perhaps, in the not too distant future, virtual reality interfaces will enhance this experience as well. However, considering the wealth and importance of nonverbal, non-symbolic communication that humans have developed to navigate social dynamics, it is unlikely that this avenue of remedy will be entirely successful; a virtual hug (or LOL, emoticon, etc.) will never be quite as enriching or communicative as the real thing, no matter how sophisticated VR sensory technology becomes. Another possibility is to utilize strong Artificial Intelligence to manage complex systems, in anticipation of a singularity that either biologically amplifies human capacities or subjugates humanity to a much deeper technology dependence; but this is likely quite far off, and/or not nearly the panacea



it purports to be. Another avenue of remedy, also technology-dependent, is to relocate as many of the globalizing influences back to the community level.

Imagine that electricity is sourced from community solar installations and other local renewables; a majority of community market produce is grown in local community gardens; advanced 3D printers located in community centers, along with local artisans and flexible manufacturing networks, provide a majority of goods the community needs; small businesses likewise integrated into the community provide a majority of desired services; and employment is executed either from home, or via business facilitates integrated into the community. Many of these approaches are already well-developed, experimentally implemented, or well on their way to becoming a reality. So it is easily conceivable that the 6x6 tension could be rapidly reversed – in a matter of only a few years – *if* our longstanding obsession with private property are relaxed at the same time that these emerging solutions become commonplace.

If this were to occur, then pushing as much political decision-making down to the community level as possible would have the greatest impact in terms of self-governance as well. And, to reiterate, for decisions of municipal, regional, national or global scope, the concepts of nested polycentric interaction could be applied. The idea of nested linkages, derived from Ostrom’s work (principle 8 in the table referenced in “Possession Without Ownership” above), could apply to vertical and horizontal relationships – both between communities, and between communities and institutions with larger scope.<sup>23</sup> But the emphasis would remain on community and inter-community consensus, rather than technocratic expertise, with direct democracy playing a dominant role.

Will all of this require the same kind of knowledge-diffusion that allows worker-owned cooperatives to flourish? Absolutely; we see the cross-pollination of collectivist examples at work here as well. The co-management concept between all of these governance mechanisms is really no different in its collective spirit than



consensus at the community level itself, rearranging its connections for each issue being addressed to generate solutions both tactically and strategically. So this is how we arrive at the term “polycentric governance networks,” because the configuration of each polycentric decision tree would be completely different, depending on who the stakeholders are for a given concern or objective.



## Objective Metrics

*Objective metrics* employed at frequent and regular intervals for all of these factors to assess their ongoing efficacy in generating the greatest authentic liberty, for the greatest number, for the greatest duration.

Regarding *objective metrics*, what is our aim? How can we measure the actual “freedom” alluded to in any of the factors we’ve already enumerated? How can we calculate and adjust our metrics to formulate proposals and managing mechanisms for ourselves individually, for our communities, for our civic institutions, for business organizations and so on? If our proposal is to define a Goldilocks Zone of integral liberty, then we will require specific ways to measure an optimal range of function for all conceivable areas. What follow are ostensibly a first draft of those metrics, with the ready acknowledgment that there is much room for tailoring and refinement.

Using the criteria we’ve developed so far, one arrangement could be as follows: We would assess the relief of the poverties that interfere with liberty as our primary indicators, using the operationalization of four primary drives across all four key factors (*subjective experience, intersubjective agreements, interobjective conditions, and participatory mechanisms*). In keeping with the Goldilocks analogy, our measurements will need to indicate three zones of differentiation: either *deficient*, meaning that the poverty is not being relieved in the course of *existing, expressing, effecting* and *adapting*; *within the optimal range*, meaning that integral liberty is being achieved as the poverty is relieved; or *excessive*, meaning that mechanisms to overcome that poverty have become paternalistic or are significantly interfering with other liberties. Clearly these would need to be developed to whatever gradation or granularity is required, but as our starting point we could simply use a range of *-4 to +4*; that is, each of the primary drives contributing *-1, 0 or +1* to each key factor, with *0* representing the optimal range. In this way the ongoing tension



between individual sovereignty and collective agreement is marginally represented, so that not only the predilections and wants of Goldilocks are in play, but also those of the family of bears. As I mentioned previously, there is inevitably fuzziness around such semantic containers, and copious interpenetration and interdependency between them – for example, what might be considered “internal” vs. “external” or “individual” vs. “collective” – but we can still define our initial metrics generally, with an eye towards future refinement.

**Table 1: Representing Integral Liberty**

<b>Freedom, Equality &amp; Opportunity ----- or Poverty?</b>	<b>Subjective Experience</b>	<b>Intersubjective Agreements</b>	<b>Interobjective Systems &amp; Conditions</b>	<b>Participatory Mechanisms</b>
Common Property & Access				
Justice - Laws				
Justice - Courts				
Justice - Enforcement				
Economic Freedom - Opportunity to Trade				
Economic Freedom - Employment				
Economic Freedom - Disposable Income				
Economic Freedom - Goods Access				
Education - Critical Thinking				
Education - Skills Training				
Education - Diverse Understanding				
Knowledge & Information - Open Media				
Knowledge & Information - Independent Verification				
Assembly & Association				
Health & Wellness				
Trust & Social Capital				
Self-Expression				
Multidimensional Perception				
Travel & Relocation				
Freedom from Prejudice				
Privacy				
Time-Space-Solitude				
Emotional Intelligence				
Moral Development				
Spirituality				
Compassion				
Perspective-Vision				
Self-Reliance				



The assertion here is that, in order for authentic free will to exist for all, individuals, communities, free enterprise and all level of governance must be operating within an optimal range for a majority of these metrics, and doing so consistently. Which means that, given the natural cycles of human behavior, we need to be measuring these variables pretty frequently to track and correct individual, collective and institutional trends. Perhaps using the mechanisms of daily direct democracy itself, and reporting results on a weekly or monthly basis, we can begin to tune our individual and collective awareness and efforts into continuous improvement. We can, in essence, continually assess and enhance our own freedom. For if we do not have such data available, how can we judge whether our liberty is real or illusive? And, of equal importance, how will we successfully challenge some new spectacle that persuades us we are free even as it seeks to enslave us?

### ***The Pilot Principle***

In keeping with the *precautionary principle*, I wanted to briefly summarize the importance of incremental, limited-scope testing of new ideas, while using the aforementioned metrics to validate progressive efficacy. This is so critical for any change management – and so easily forgotten in ideological tug-of-wars. There is no reason any reasonable new idea cannot be part of ongoing experimentation, especially if the experiment can begin at the community level and grow from there based on its success. In a way, incorporation of competing outlier ideas into separate pilots should probably become the standard for all collective public policy considerations; why not make small, incremental mistakes and learn from them, or, contrastingly, small models that demonstrate proof of concept for broader implementations? In the same vein, examples of successful models from around the globe – be it gun laws in Australia, or direct democracy in Switzerland, or the principles of common pool resource management Elinor Ostrom observed in Guatemala, Turkey, Kenya and Nepal – should inform any new proposals as well. In these instances, much of the piloting work has already been accomplished, so why



reinvent the wheel? As someone who – in an earlier career – designed and managed technology changes across large organizations, it has always struck me as profoundly misguided to institute change without relying on the pilot principle.

### ***Assessing Conventional Proposals & Ideologies with the Principles of Integral Liberty***

Initially, I had conceived of creating charts that plotted existing systems and ideals according to the variables, principles and metrics discussed in this paper. Then I realized just how sizeable an undertaking it would be even to assess “authentic liberty” vs. “illusions of freedom” along one axis and find objective data to support that analysis. This simply exceeds my available time and resources at the moment. Nevertheless, I believe this is possible using scientific methods. What I suspect to be true is that systems and ideologies that support horizontal cooperation, collaboration and knowledge diffusion will be the winners. It seems obvious that the more people there are, the more cultural diversity intersects, and the less space and resources are available for all, the greater the tendency toward hierarchical arrangements and hyperspecialization. I think that is how we arrived where we are today, and why we need to engineer a change.

The traditional, simplistic conceptions of private property, negative liberty and labor appropriation work well in regions with lots of space, lots of natural resources, and people who share (on the whole) the same ethnicity, knowledge-base and cultural makeup. In these instances, “equality” becomes a de facto assumption, conditioned on homogeneity. It is perhaps too obvious to state that the musings of Locke, Hobbes, Smith and other influential writers in past centuries were grounded in a pre-industrial agrarian mindset, and so resonate strongly with those who view their own situation and immediate environment through a similar experiential filter – or who romanticize about such times. But with the inevitable pressures of urbanization and globalization creating the 6x6 tensions alluded to earlier, a “don’t



tread on me” mentality just won’t work anymore. Thus we require a new, more rigorous paradigm for what “verifiable free will” actually means for us today, and I hope this paper can contribute to that discussion. All we need to move forward is the collective will to escape the inertia of the status quo and its lugubrious autocracy, to embrace a more integral view of authentic liberty, and the moral maturity to commit to a necessary evolution.



## Answering the Critiques of Collectivism

Questions always seem to arise around collectivist proposals, and so I want to nip some in the bud if I can with a brief FAQ that responds to issues I have been asked about when exchanging ideas with others:

1. **Is integral liberty Marxist?** Not really, though it does address many of Marx's central concerns. The closest ideological approximation is *libertarian socialism*, as influenced by participism, anarcho-syndicalism, eco-socialism and deep ecology – but it is also not completely or exclusively adherent to any of these.
2. **Is integral liberty anarchistic?** Not pure anarchism, no – and certainly not along the lines of *individualist* styles of anarchism. However, it does de-emphasize central government to a large degree.
3. **Do you consider individualism immoral?** Not at all – just morally immature. It is also an increasingly unsustainable orientation at a time when technology allows individuals to have tremendous, disproportionate impacts on others and on their surroundings, and in a complex interdependent world which is, ultimately, a closed system with limited resources.
4. **What about past failures of collectivism?** Past failures do exist, and IMO the cause can nearly always be attributed to either a lack of participatory processes, a lack of sufficient moral development in the participants, or to the experiments being imbedded in a dominant State capitalist system that isolated the group, antagonized cohesion, and constantly hammered away at collectivist values with commercialistic memes.
5. **What about people who don't want to conform to social expectations, or share resources, or be morally mature?** They will have a place in any community that practices integral liberty – it will just be a less prestigious place than in a capitalist system where such behavior is rewarded. There may even be communities that form around more egoic, I/Me/Mine levels of development, and as long as they don't interfere with the liberties of other communities, they will be largely left alone. However, there will still need to be standards of



integration (commerce, transportation, communication, energy, law, etc.) at the boundaries of such communities.

6. **Is integral liberty nonviolent?** Yes, in the sense of “doing no harm or the least harm.” It would advocate the use of non-lethal force for community policing, only defensive force for self-preservation in larger conflicts, and nonviolent civil disobedience as a means of individual and collective action.
7. **Can capitalism be retained in integral liberty?** No. The tyranny of private property will always increasingly interfere with liberty. Competition, exchange economies, fiat currencies, investment banking and other capitalist elements may remain throughout a potentially lengthy transition period, but even these will likely attenuate over time as societal priorities and individual incentives shift into prosocial practices and systems informed by the *unitive principle*.
8. **Could anyone become wealthy within this system?** Of course. The ability to accumulate *social credits* would be unrestricted. A person could, conceivably, accumulate enough credits to take extended vacations and travel the world, or go back to school to study something new or learn new skills, or spend a year just writing poetry or meditating or whatever. They just would have “earned” this wealth of credits through exemplary citizenship and compassionate action – rather than through exploitation, sociopathology, deceptive manipulation, or moral turpitude. There also would be shares of communal property and worker-owned cooperatives that are potentially transferrable or convertible.
9. **Do you foresee any problems in reifying integral liberty proposals?** Certainly. There will be tremendous resistance from those who celebrate greed and personal wealth-accumulation, who value willfully self-referential autonomy, who are unable to relinquish their own toddlerhood, or who are simply afraid. There is also the matter of status quo inertia. Change is hard.
10. **What is the single most important factor in implementation?** Encouraging intellectual, psychosocial, spiritual and moral development through Integral Lifework or other integral practice. Without such development, integral liberty could create more dissonance than harmony; without love-consciousness percolating through communal, collectivist engagements, it will likely fail.



## Appendix A: Strata of Moral Development

Self-Identification	Strata of Moral Valuation
<p style="text-align: center;"><b>Unitive Infinite</b></p> <p>Self Equates both Being and Non-Being (or Non-Identification, “No Self”) and Compassionate Integration of All That Is, Including Previous Self-Identifications</p>	<p style="text-align: center;"><b>Applied Nonduality</b></p> <p>This is an expression of mystical, nondual consciousness as a supremely unfettered existence where intuitions of universal freedom are fully realized. There is a certain irony that the autonomy one's ego so craved in earlier strata is now readily available through the absence of ego. The lack of a distinct sense of self in some ways eradicates any sort of identification at all -so non-being is equivalent to being, and self is equivalent to both nothingness and previous conceptions of "the All." Here inexhaustible loving kindness is conclusively harmonized through advanced forms of discernment. An enduring all-inclusive love-consciousness integrates all previous moral orientations, current intentions and actions into a carefree -but nevertheless carefully balanced -flow; a flow into what might be described as "ultimate purpose." Previous orientations are then viewed not as right or wrong, but as a spectrum of imperfect expressions of that ultimate purpose. In this final letting go of self-identification, all nourishment is love, all love is nourishment, and all values hierarchies are subordinated to skillfully compassionate affection. At the same time, this realization and any other constructs become just that: constructs, inventions of the mind. Up until now, the main concern of moral valuation has been the orientation of self-to-self, self-to-other, self-to-community, self-to-environment, self-to-planet, self-to-humanity, self-to-nothingness, self-to-All, etc. In other words, previous values hierarchies tended to be preoccupied with the context of the self. In this stratum, that context is no longer relevant, because there is no self, no no-self, and not even a concept of self or no-self. Along the same lines, the past/present/future construction of time dissolves into insignificance.</p>
<p style="text-align: center;"><b>Formless Infinite</b></p> <p>Self Equates Non-Being, Non-Identification, “No Self”</p>	<p style="text-align: center;"><b>Unknowing Emptiness</b></p> <p>This mode of being has been the backdrop for all previous strata, and has woven itself into those strata at various points in the form of “letting go” of previous constructs and patterns of being – we just haven’t fully comprehended the scope of that letting go until now. This is the stratum first of radical deconstruction, then chaotic revolution, a tearing asunder of the veil of certainty, challenging of self-concept and of the nature of all relationships and interdependencies, and fluid revision of the context and content of all moral strata and systems. Once again, the theme of acquiescence has always been part of previous transitions and evolutions, but here we fully inhabit that space and allow it to permeate our consciousness and interactions. This is the gap where faith and doubt collide, where rational and nonrational reconcile, where manifest and unmanifest infuse each other; this is the crucible where <i>agape</i> and emptiness forge a new alloy. As expressed in actions and intentions, this stratum frequently feels like either fragmenting disruption on the one hand, or perceived paralysis on the other: either a grenade of Light that exposes underlying sturcturelessness, or the quiescent twilight of action-without-action. Ultimately, however, this is where multidialectical tensions can resolve in neutral stillness, where negation becomes the midwife of creation, and where detachment creates a fertile ground for more skillful love-consciousness. In terms of time-space, “now” still predominates, but its context dilates to encompass every point in the continuum previously considered past, present or future; the now becomes <i>potential</i> even as it ceases “becoming” anything at all.</p>
<p style="text-align: center;"><b>Shared Spirit</b></p> <p>Identification With All That Is as Defined by Shared Spiritual Understanding</p>	<p style="text-align: center;"><b>Spiritual Universality</b></p> <p>Through persistent and intimate connection with an absolute, universal inclusiveness of being, moral function is defined by whatever most skillfully facilitates “the good of All” (that is, the greatest good, for the greatest number, for the greatest duration). “The good of All,” in turn, is an evolving intuition, a successive unfolding of mystical awareness in concert with dialectical cognition and neutrality of personal will. However, it tends to remain more of a felt sense than an exclusively rational construct. Skillfulness can still</p>



	<p>be refined through empirical experimentation and observation, but it is always subjected to a filter of intensified and unconditional compassion -a felt sense as well. Identification with the All is fluid and seamless, and moral thought and action flowing from this identification are also fluid and seamless. That is not to say that this stratum can't occasionally be interrupted by regressions to previous strata within one or more dimensions of being (usually as a reaction to overwhelming or stressful situations), but the contrast and incongruity of those regressions is strikingly obvious. Past, present and future become a continuum where "now" is less fixed; the experience of time itself is more relative and process-oriented. Nevertheless, "now" remains the primary reference for that process.</p>
<p style="text-align: center;"><b>All-Being</b></p> <p style="text-align: center;">Identification with Progressively Broader Inclusions of Consciousness &amp; Being Together with All Supportive Systems</p>	<p style="text-align: center;"><b>Transpersonal Holism</b></p> <p>This stratum is marked by an increasing flexibility of moral orientation. For example, the realization that more than one values hierarchy can be valid, that someone can operate within multiple values hierarchies simultaneously, or that seemingly opposing values hierarchies can synthesize a new, higher order moral orientation. This intersubjective moral ambiguity is then navigated through the discernment of intentional, strategic outcomes that benefit the largest majority possible. Definition of what constitutes "the largest majority possible" likewise changes and evolves, but is strongly informed by transpersonal perceptions and experiences. In turn, identification with this transpersonal connectedness subordinates other identifications, so that, for example, experiencing a shared ground of being is indistinguishable from compassionate affection for all beings, and compassionate affection for all beings is indistinguishable from attenuation of individual ego. The relevant time-space for this stratum becomes contextual; the relevance of past, present and future shifts with current priorities, and the cycles and patterns of time begin to give way to a continuum.</p>
<p style="text-align: center;"><b>Earth Life</b></p> <p style="text-align: center;">Identification with Every Living System on Earth – All Its Individual Components &amp; Supportive Environments</p>	<p style="text-align: center;"><b>World-Centric</b></p> <p>At this point there is a greater appreciation and acceptance of ecologies that facilitate, transcend and include human society. These ecologies may contain biological, metaphysical, quantum or other systems-oriented constructs, with the feature that these systems are vast, complex and interdependent. Here moral function is inspired by individual and collective commitment to understanding and supporting those systems in order to support all life. Personal identification with this broader, ecological consciousness expands humanity-centric compassion and concern into world-centric compassion and concern. Values hierarchies now begin to be viewed as a primary form of nourishment, from which all other nourishment is derived. Time dilates and slows a bit here, tending to be viewed more as cycles and patterns than a linear progression.</p>
<p style="text-align: center;"><b>Human Society</b></p> <p style="text-align: center;">Identification with All People Everywhere</p>	<p style="text-align: center;"><b>Principled Rationalism</b></p> <p>Moral function is now defined by a rationally defined set of reasoned moral principles, principles with the unifying objective of benefiting all of humanity. For anyone operating in this stratum, empirical validation of moral efficacy is of particularly compelling interest; what really works should be embraced, and what doesn't should be discarded. There is also an additional form of individuation here, where identification with previous communities (communities whose values and goals had previously been facilitated and integrated) begins to fade, and is replaced with increasing identification with, and compassion for, all human beings. Social divisions are discarded in favor of equal status. The future can now become an all-consuming fixation that drives more and more decisions, the past becomes an advising reference, and the current moment a fleeting absorption. As a result, time tends to both constrict and accelerate in this stratum, remaining linear in experience and conception.</p>
<p style="text-align: center;"><b>Affinitive Community</b></p> <p style="text-align: center;">Identification with All People Who Share the Same</p>	<p style="text-align: center;"><b>Cooperative Communalism</b></p> <p>Here a communal role and collective responsibility is firmly accepted and established as part of moral function, and community is defined by shared values and experiences,</p>



<p>Values or Experience</p>	<p>rather than just shared benefits or just laws. The necessity of collaborative contribution to human welfare is understood, and the desire to compete for personal advantage fades away. A community's shared values are appreciated, integrated and supported in order to further that community's goals and collective nourishment, but without the suppression or sacrificing of personal values and identity that were common in earlier tribalism. Thus distinctions of class, caste, and social position tend to attenuate. This stratum also tends to invite preoccupation with the future, sometimes even beyond one's personal future, because we are charting a course through increased complexity. Time is experienced and conceived of as episodic.</p>
<p><b>Beneficial Community</b> Identification with All People Who Benefit Each Other in Some Way</p>	<p><b>Competitive Communalism</b></p> <p>Moral function is strongly influenced by personal acceptance of the importance of participating in a mutually beneficial and lawfully just community, while still retaining individual uniqueness. However, this initial expansion into a communal moral orientation usually orbits around competition. Competition with others for personal positional power and influence in the community; competition with other moral orientations, asserting the relevance of one's own views and priorities; nonconformance with, and continual challenging of, a community's established values hierarchy; and competition for other forms of social capital. In this stratum the future gains more importance as one strategizes navigation of these competitions. The past also regains its teaching role, with emphasis on both failures and successes to inform current strategies.</p>
<p><b>Committed Greater Self</b> Acceptance of the Identify of "Self" as Larger Than Associations with Group(s) or Ideas</p>	<p><b>Contributive Individualism</b></p> <p>Now more fully individuated from the primary tribe and its social constraints, one continues to be committed to one's own well-being, freedom, wholeness and access to more subtle, nuanced and complex nourishment resources. Moral function is increasingly defined by efforts that appear "good" or helpful to others, as framed by conscience, the context-of-the-moment and interpersonal relationships. In this sense, moral relativism is derived from one's own experiences and interactions, and tends to be maintained and defended within this self-referential absorption. The present is still paramount here. This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>
<p><b>Tentative Greater Self</b> Identification with a Possible "Self" Larger Than Associations with Group(s) or Ideas</p>	<p><b>Opportunistic Individualism</b></p> <p>This stratum is part of an individuation process from the tribe and the tribe's values hierarchy. Moral orientation may lapse into previous strata, but is otherwise centered around a sense of obligation to one's own uniqueness, freedom, well-being and wholeness. As a result, one is open to more complex nourishment that was not available within egoic or tribal orientations. Probably as a component of emancipation from tribal expectations, there tends to be minimal concern about the impact of one's individuation process on others. In this stratum, the present once again gains preeminence; the past is being left behind, and the future matters less than assertiveness in the now.</p>



<p style="text-align: center;"><b>Secure Tribal Position</b></p> <p style="text-align: center;">Identification with “My People”</p>	<p style="text-align: center;"><b>Defensive Tribalism</b></p> <p>Here the social order and internal rules of our primary social group(s) are championed as correct and proper both within the tribe (regulation) and to the outside world (proselytization). Competition with and subjugation of -other individuals or groups outside of the tribe (or one's class, caste or social position) becomes more pronounced. Thus moral function is defined by rigid definitions and legalistic rules (law &amp; order, right &amp; wrong, black &amp; white) that justify and secure personal standing within the tribe, as well as the tribe's standing within a given environment. Now, because one's tribal position is secure, the past again dominates. Past authorities, traditions, insights and experiences infuse the present legalistic frame with self-righteous justification.</p>
<p style="text-align: center;"><b>Insecure Tribal Position</b></p> <p style="text-align: center;">Identification with “The People I Want to be My People”</p>	<p style="text-align: center;"><b>Tribal Acceptance</b></p> <p>Conformance with social expectations, and approval of one's primary social group(s), governs moral function here. What is “right” or “wrong” is defined by what increases or attenuates social capital and standing within the group(s). The acknowledged link between personal survival and tribal acceptance expands self-centeredness to tribe-centeredness, but otherwise operates similarly to lower moral strata. In this stratum, one's "tribe" tends to be fairly immediate, and fairly small -a family, team, group of peers, gang, etc. Now the relevant timeframe shifts back into the immediate future, where status and influence will either be lost or realized; the past may still be instructive, but what waits around the next bend in the road is what preoccupies.</p>
<p style="text-align: center;"><b>Ego Identity</b></p> <p style="text-align: center;">Identification with Ego</p>	<p style="text-align: center;"><b>Self-Protective Egoism</b></p> <p>Moral function is governed by acquisitive, manipulative, consumptive or hedonistic patterns that accumulate and defend personal gains (i.e. secure nourishment sources) in order to insulate the ego from risks and loss. This self-centeredness may be masked by primitive adaptive personas that navigate basic reciprocity, but is generally indifferent to other people except for the ability of others to satisfy personal demands. Now the past can actually become more important than the present, because the past is where wrongs were suffered and gains realized. Reflections on the present and future, on the other hand, tend to be inhabited by fear of risk and loss.</p>
<p style="text-align: center;"><b>Formative Identity</b></p> <p style="text-align: center;">Developing Ego and Ego-Identity</p>	<p style="text-align: center;"><b>Self-Assertive Egoism</b></p> <p>The aggressive utilization of basic tools to satisfy one's own wants and whims, usually without regard to the impact on others, is an overwhelming moral imperative here. In most situations, this imperative is only moderated by fear of "being caught" and the personal embarrassment, punishment or loss of personal nourishment that may follow. The relevant timeframe for fulfilling one's desires expands a little here, so that gratification can be delayed until the near-future. However, the past is largely irrelevant, except as a reminder of negative consequences to be avoided.</p>
<p style="text-align: center;"><b>Unformed Identity</b></p>	<p style="text-align: center;"><b>Egoless Raw Need</b></p> <p>Naïve, helpless state in which volition is centered around unrestrained basic nourishment in every moment, but where the mechanisms of needs fulfillment are unknown, unskilled or otherwise inaccessible. In this stratum, the scope of one's relevant time-space for this needs fulfillment is almost always the immediate, everpresent <i>now</i>.</p>



## Footnotes

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See also:





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- <sup>12</sup> <https://www.thecommonsjournal.org/articles/10.18352/ijc.321/>
- <sup>13</sup> Ibid.
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See <http://amadorcountynews.org/2014-04/American%20Politics%20-%20Elites,%20Interest%20Groups,%20and%20Average%20Citizens.pdf>
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## THE PROBLEM OF VIRTUAL CAUSALITY

### Superagency, Cognitive Errors, and the Nature of Good and Evil

by T.Collins Logan

*(Special thanks to Petyr Cirino, whose thoughtful exchanges with me inspired this particular essay.)*

As daily events around the world illustrate, we have unquestionably arrived at the age of human superagency — in terms of both positive and negative impacts. On smaller scales of individuals and groups, there are the negative impacts of mass shootings, suicide bombers, toxic waste leaks, chemical plant explosions, contamination of water supplies with heavy metals, contamination of local food chains with pathogens or harmful chemicals, and other disruptions of limited scope. And of course the positive side of this local superagency includes the complex infrastructure, interdependent systems and services that support burgeoning municipalities and allow them to thrive. So in both constructive and destructive ways, we can easily see how complexity, technology and superagency are linked. On the national and global scale, a more collective superagency manifests on the one hand as disruption of everything from infrastructure and commerce to news and elections by small groups of dedicated hackers or activists, to the accelerating extinction of well-established species all around the planet as a consequence of human activities, to the radioactive contamination of vast swathes of air and water after nuclear power plant meltdowns, to the extreme temperatures and chaotic weather patterns resulting from over a century of human industry. On the positive side, humanity has been able to extract and distribute limited resources far and wide on a global scale, linked and negotiated disparate cultures and language around the planet to the benefit of many, and generated and shared huge amounts of knowledge and information to an impressive degree. At these larger scales, complexity and technology are also intimately entangled with superagency, but such impacts appear to depend more on the collective habits and influence of huge populations than on individuals or groups. Ultimately, it seems to have been the aggregate of individual, group and global

population impacts that constitute a tipping point for the blossoming of human superagency on planet Earth.

But why does this matter?

One conventional answer is that this matters because our superagency has far outpaced our moral maturity; that is, our ability to manage superagency at any level — individually, tribally or globally — in a consistently beneficial or even sane fashion. Of course this is not a new observation: social critics, philosophers, prophets and artists throughout history have often observed that humanity is not very gifted at managing our own creative, acquisitive or political prowess; from the myths of Icarus and Midas, to the admonitions of Aristotle and Solomon, to tales of Frankenstein and Godzilla, the cautionary narratives of precipitous greed, clever invention and unabashed hubris have remained virtually unbroken across the span of human civilization. But should this perennial caution be our primary concern? Don't civil society, advancing education, widespread democracy and rigorous science mitigate the misuse or overreach of personal and collective power? Don't such institutions in fact provide a bulwark against an immature or degraded morality's ability to misuse humanity's greatest innovations and accomplishments? Aren't these the very failsafes intended to insulate society from its most irrational and destructive impulses...?

First, I would attempt to answer such questions by observing that moral maturity — along with all the societal institutions created to maintain and protect it — has been aggressively undermined by capitalist enterprise to an astonishing degree: via the infantilization and isolation of consumers, the substitution of internal creative and interpersonal riches with obsessive consumption of external commodities, the glorification of both greed and material accumulation, and the careful engineering of our addiction to comfort. But these concerns are the focus of much of my other writing (see [The Case Against Capitalism](#)), not to mention the more deft and compelling writings of countless others, so I won't dwell on them here. Instead, I would turn some attention to what is perhaps an even more pernicious tendency in human affairs, one that has persisted for just as long as all these other degrading impulses and influences. Yes, in a globally collective sense, our moral maturity and capacity for positive moral creativity has seemingly regressed or stagnated even as our superagency has increased — and yes, capitalism is largely to blame for the most recent downward

spirals. But there is something more basic and instrumental in our psyche that energizes greed, hubris, arrogance and reckless destruction...something fundamental to our being that needs to be called out. Something that, by any measure, reliably contributes to all sorts of evildoing.

And of course attempts to explain the nature of such evil are also not new. Many have attempted to ferret out the source of our darkest impulses, accrediting them to supernatural beings — Aite, Eris, Angra Mainyu, Satan, demons and mazzikim, bhoot and Pishacha, etc.— or describing it in terms of psychological phenomena like selfish compulsions and egotism, death drives (*Todestriebe*), maladaptive behaviors, severe mental disorders, and so forth. But identifying a more accurate underlying causal pattern will, I think, require a departure from these traditional frameworks. Instead, perhaps we can evaluate a series of straightforward cognitive errors that supportively interconnect, amplify and then calcify over time to create a specific, deleterious and measurable impact on both human interiority and society. Perhaps "evil" can, on some basic level, be defined as a simple cognitive mistake, and "good" as the correction of that mental error.

### ***A Corrosive Troika Defined***

With respect to causality, there appear to be three consistent factors that continually surface across the vast terrain of human affairs:

1. *Misattribution* of causation (as an unintentional mistake or conditioned response)
2. Intentional *masking* of causation (as deliberate and targeted distortions that reinforce misattribution); and
3. Willful *forcing* of causation (designed to support and reinforce deliberate distortions)

Together these create a *virtual causality* — that is, causality that is almost completely disconnected or substantially insulated from reality, while still imitating certain believable elements of the real world amid elaborate rationalizations. We can posit that this pretend causality entices a willing suspension of disbelief — for those who are vulnerable, coerced,

deceived or conformist — that perpetuates self-insulation and additional supportive distortions. So let's take a careful look at each of these components, in order to appreciate just how instrumental they are in everything human beings think, feel and do, and how the modern age seems to be shaping them.

## I. Misattribution

Humans make this cognitive mistake so often that it is somewhat ridiculous to point it out: we blame the wrong culprit for our problems, and consequently pursue the wrong solutions to fix them. Add some additional, deleterious unintended consequences to these kinds of mistakes, and the resulting conditions could easily be described as "what leads to much suffering in the world;" that is, what has perpetuated much of the destruction, unhappiness, suffering, pain and annihilation throughout human history. The dangers of misattributed causation are identified in many if not most wisdom traditions — we can discern this in admonitions about judging others too quickly, gossiping about our suspicions, bearing false witness, words spoken in anger, living by the sword, throwing the first stone, revenge, showy public worship, etc., along with the contrasts of repeated encouragement to forgive without conditions, be patient and longsuffering, generous and caring, humble and trusting. Such concerns are certainly echoed in more recent empirical and rationalist approaches to both knowledge and socially constructive behaviors as well; for example, research in psychology around the misattribution of arousal to incorrect stimuli, or the application of the scientific method in understanding and resolving complex empirical challenges. But sometimes the obvious and longstanding begs restating, so we will briefly address it here.

Let's consider a few relatively neutral examples, then drill down to a few more compelling, nuanced and disturbing details. For example, most reasonably perceptive adults might agree from their own direct observations, fairly straightforward and simplistic reasoning, or trusted sources of learning that:

1. Sunlight warms the Earth.
2. Submerging crusty pots and pans in water for a time makes them easier to clean.
3. Regularly and violently beating a domesticated animal will eventually induce behavioral problems in that animal.

4. A sedentary lifestyle, devoid of exercise and full of rich foods, will lead to chronic health problems.
5. Smiling at people with genuine openness and affection generally encourages openness and a positive emotional response in return.
6. A heavy object dropped from the second floor of a building onto someone's head is likely to kill them.
7. Really awful things happen to perfectly decent, undeserving people with some regularity.
8. Choosing "the easy way out" of a given situation — that is, a choice that seeks to fortify personal comfort or avoids personal accountability — is often much less fruitful or constructive in the long run than making a harder, more uncomfortable choice that embraces personal responsibility.

There are probably hundreds of thousands — if not millions — of such causal chains that most people have internalized and rely upon to navigate their day-to-day lives. We may not always be consistent in our reasoning and application of them, and there are often exceptions or special conditions that moderate the efficacy of our causal predictions, but on-the-whole we usually learn over time which causal attributions are correct, and which are mistaken. That is...unless something interrupts that learning process.

And this is where I feel the discussion becomes interesting. For it is my contention that many characteristics of modern society not only disrupt our ability to learn and predict accurate causal relationships, *but actually encourage distortions and misattributions*. How? Here again we will see how complexity, technology, and superagency strongly facilitate the disconnect...but also that we can add isolation and specialization to the mix as well. If, over the course childhood, my entire reference set for understanding causal relationships is defined by television and video games, and I have never thoroughly tested any of the assumptions inculcated through those media, how will I ever escape their fictional depictions? At around age eight or nine, I myself attempted to duplicate some of the crazy stunts Bugs Bunny and Roadrunner performed in Warner Brothers cartoons. I quickly learned that gravity, momentum, inertia, the velocity of falling objects, and host of other principles of physics were grossly misrepresented in those TV shows. I also learned that I did not recover from serious injury nearly as quickly as Wily Coyote did. But what if I hadn't learned any of this through experience? What if I had always been insulated from

real-world testing and consequences? What if I kept assuming that the fiction I was being shown for entertainment was the actual truth...?

I find this a handy metaphor for modern society, because, throughout most early stages of development, human beings can now remain completely insulated from experiences that shape our understanding of *actual* causality. Over the years I have witnessed young people trying to ride a horse, play an instrument, write a story, draw a picture, shoot a gun, drive a car, run a race, play a sport, build a tree house, use martial arts...and a host of other activities or skills...simply by imitating what they saw in a movie, played in a video game, or read in a book. And of course that doesn't work — because they do not understand the subtleties of the causal relationships involved. This is what competently learning a skill most often represents: appreciating all of the causal relationships that influence a given outcome, and practicing each one in turn until they are mastered individually and conjointly. What application of force, in which direction, using which tool at which angle and with what kind of finesse, results in unscrewing a rusty bolt on an old bicycle? Knowing the answers to all the steps in a causal chain, especially through personal experience, is what most reliably produces predictive efficacy over time. But if I've never actually ridden a horse, or hiked a mountain, or slaughtered a chicken, or grown food in a garden, or learned to shoot a bow and arrow, or installed a fence, or built a house, or felled a tree, or any number of other activities that might have been the common experience of folks a mere generation or two ago, how can I presume to know how the world around me really works, or how to accomplish the simplest tasks without the aid of technology, advanced tools, or specialized workers and knowledge on which most of the developed world has now come to rely?

Well I can't, and no amount of assistance from my iPad, smartphone or virtual assistant is going to help me develop a felt, somatic-intuitive understanding of basic causal principles — let alone more complex causal chains. I will remain blissfully ignorant of how things work. However, these same technologies also provide an ever-advancing level of virtual pseudoagency — by using my virtual assistant or smartphone to turn home appliances on or off, monitor a child's activities, video conference with coworkers, order groceries to be delivered, record a threatening phone call, troubleshoot a vehicle's error codes, manage finances, donate to a charity or political campaign, sign a petition, etc. — so that I begin to believe that I really have no need to grasp any fundamental causal principles. In fact, the

increasing scope of that virtual pseudoagency begins to feel a lot like superagency itself, even though the only causal relationship I am required to maintain is the one with my iPad, smartphone or virtual assistant. Here again, complexity, technology, superagency, isolation and specialization conspire to support my entanglement with virtual causality. And if I confine myself to the same routines, the same environments, the same social groups and virtual communities, the same homogenous or specialized cultures and mass media...it is possible for me to remain disconnected and insulated from authentic causality for my entire life. So, just hold that thought if you will.....

Let's now examine a second set of causal relationships that are a bit more abstracted from direct experience, rely on more complex reasoning, or encourage us to develop greater trust in authoritative sources of information:

1. Human industry has been accelerating the warming of the planet to levels that will likely destabilize human civilization, and eventually endanger all other life on Earth.
2. Travelling through space at velocities approaching the speed of light slows down time for the traveller relative to the space being travelled through.
3. Gun ownership may make people feel safer, but as a statistical reality it places them at much higher risk of being shot themselves.
4. One of the best ways to mitigate the most pernicious negative impacts of drug addiction on individuals and society is to legalize, tax and regulate drugs, and then allow them to be administered in a controlled environment with medical oversight, and by folks who are also trained in providing treatment and resources to anyone who is willing and able to overcome their addiction.
5. Quantum entanglement (what Einstein called "spooky action at a distance") indicates an immediate relationship between particles over vast distances, potentially negating the speed of light as a limiting factor for data transmission.
6. Educating people from an early age about safe sex, family planning and child rearing, and allowing them easy, affordable access to reproductive healthcare and choices, is one of the most effective ways to reduce unwanted pregnancies, teen pregnancies and abortions.
7. Corporate monopolies can often be much more inefficient, coercive, exploitative and corrosive to civil society and individual well-being than the bureaucratic or cumbersome institutions of democratically elected governments.

8. Educating and empowering women to become more economically self-sufficient, and more intellectually and emotionally self-directed, is likely the single most effective means of raising a culture out of poverty, slowing overpopulation, and strengthening local civil society over a short period of time.

Now you will notice that this second set of causal relationships has some notable differences from the first set. Each statement has required more words for an accurate description, for example, and a deeper and broader contextualization. The causality being described can also be much larger in scope, and causal chains much more subtle, abstract or tenuous. And even as these relationships are increasingly distanced from direct experience and observation, they also tend to involve more complexity and interdependency, making them that much more difficult to grasp. Still, any reasonable person who has carefully and thoroughly educated themselves about each of these issues will eventually acquire a justifiable level of confidence in the stated conclusions, *because, with sufficient attention, diligence and effort, the causal relationships actually become just as obvious as the ones in the first set.*

But wait....let's return to the problem of lacking experiential (felt, somatic-intuitive) understanding about the real world. As very few people will have the chance to experience any of the causal relationships in the second set in a subjective, firsthand way, an additional challenge is created: we will often be forced to rely on the few people who have the specialized knowledge, expertise and experience to educate us about these causal relationships. And we will need to be able to trust their judgment — and often their exclusive agency — at least to some degree, even though we may not fully comprehend what they are describing in a fully multidimensional way. And, as we shall see, this whole enterprise is subject to a host of additional influences and caveats, so that we may once again find ourselves relying on our iPad, smartphone or virtual agent to support our understanding. Here again our technology, isolation, specialization, superagency and complexity conspire to add more distance and effort to clear or accurate causal comprehensions. Now add to this the accelerating complexity of every gadget, tool and system upon which we rely to navigate the complexity of our world to levels beyond our basic knowledge, and the distance increases further still. And as we anticipate the imminent expansion of virtual reality technology itself into more and more areas of our

*lives, we can begin to imagine just how disconnected human beings will inevitably become — from each other, from themselves, and from the causal workings of the world.*

With this in mind, for many people there may also be a pronounced gap of doubt between these two sets of causal relationships, with the second set seeming much more tentative, conditional or questionable. For these skeptics, it often will not matter how much evidence is presented in support of any given conclusion...especially if that conclusion contradicts their values system, or challenges certain fundamental assumptions they hold about the world, or is perceived to undermine their preferred information authorities, or pokes and prods at their sense of identity and place in society. Given the choice, the skeptic may instead opt for tolerating higher and higher levels of cognitive dissonance.

Of course, the highest level of understanding about these topics (among people we know) may again just be armchair expertise, with no real-world experience to back it up. In such cases, when authoritative data and expertise is repeatedly dismissed out-of-hand, it becomes easier to attribute such irrational or ill-informed doubts to ignorance alone — or to cognitive bias, the Dunning-Kruger effect, tribal groupthink, being intimidated by complexity, ideological brainwashing and manipulation, abject stupidity, or some other equally dismissive explanation. In fact I have made this judgmental error myself, often amid roiling frustration when someone expresses their belief that, to paraphrase Asimov, their ignorance is "just as good as" rigorous investigation and knowledge. But this judgmental reflex has been, I now suspect, a glaringly lazy oversimplification; itself yet another misattribution of causation. Instead, what I now believe is actually happening is something much more intricate, and much more intriguing.

## II. Masking

There are plentiful reasons why an individual or group might be strongly motivated to persuade themselves or coerce others into believing that one thing is responsible for certain outcomes, when it is really something else entirely...and then aggressively deny or reject the truth. Consider such real-world conditions as:

1. I want to sell you something that you don't really want or need, and in order to part you from your money, I fabricate causal relationships to facilitate that end. For example, I might claim that if you purchase a certain supplement, you won't need to exercise or change your diet to lose weight. Or that if you make a given long-term investment, you will be able to retire from your job decades earlier than you would otherwise. Or that if you trust in the products, services or advice I am selling you, you will achieve happiness, romance, social status, or a desirable level of financial success. And so on. This is perhaps the most pervasive example of intentional causal masking and deliberate deception — except of course when the salesperson (or friend, or coworker, or public official, etc.) may actually believe that the causal relationship is real, in which case they were just hoodwinked into complicity themselves.
  
2. I am confused, fearful, insecure and frustrated by an increasingly complex and incomprehensible world — a world in which my identity is uncertain, my role in society is uncertain, my existential purpose has come into question, and I am simply unable to navigate the complexity around me with any self-assurance that I have any real agency or efficacy. I am also feeling increasingly lonely, isolated and disenfranchised by fast-paced, constantly changing urbanization and leapfrogging technologies, in combination with the pressure-cooker-effect of burgeoning population density. I feel I am in desperate competition — for both resources and achieving any personal value to society — with everything and everyone around me...and I feel that I am losing that race. So I latch onto a group, belief or ideology that helps relieve the panic, and inherent to that process is my masking away the actual causes of my existential pain and suffering, and investing in much simpler (but inaccurate) causal relationships through which I can imagine that I have more influence or control. And thus I may join a religious group, or political party, or ideology, or online community, and actively surrender my own critical reasoning capacity in favor of comforting groupthink or ingroup/outgroup self-justifications.
  
3. Some impactful life experience or insight has inspired a reframing of all of my consequent observations and experiences according to a new paradigm — a paradigm that radically departs from previous assumptions, and applies a new filter

- for causation across all interactions and explanations. For example, after surviving a brutally violent event, I feel the need to protect myself and everyone I care about with elaborate and oppressive safety rules, rigid communication protocols, expensive security technology, and a host of lethal weapons. After my experiences, I simply view all interactions and situations as potentially dangerous and requiring a high degree of vigilance and suspicion. In my revised worldview, everything and everyone has become a potential threat, *and I must always be prepared for the worst possible outcome*. In this way I have masked all causal relationships with potential calamity and catastrophe — and actively persuade others to do the same. In this sense, I have become conditioned to partial reinforcement — similarly to a gambler who wins intermittently, or a mouse who receives a chunk of cheese at arbitrary intervals for pushing on a button in his cage; whether that partial reinforcement invoked positive or negative consequences, I will insist on maintaining masked causation in order to prop up my compulsions.
4. I have made an error in judgment tied to investment of emotions or efforts, which was then followed by other errors required to support that initial error in judgment, until a long series of decisions and continued investment has created its own momentum and gravitational mass, and now seems an inescapable trajectory for my life and my identity. Perhaps I became invested in some logical fallacy or bias (confirmation bias, appeal to authority or tradition, slippery slope fallacy, vacuous truths, courtesy bias, hot-hand fallacy, etc. — see more at [Wikipedia](#)), or initially overestimated my own knowledge or competence in some area, or trusted the advice of some cherished mentor, or took on some tremendous risk or commitment I didn't fully understand, or simply fell into a counterproductive habit that initially seemed acceptable...but has led me down an ever-darkening road. Whatever the case, I now find myself rationalizing each new decision in support of a long chain of mistaken judgments, and must of necessity consciously or unconsciously mask all causal relationships to protect my own ego or self-concept.

Regardless of the impetus, once this masking process begins, it can rapidly become self-perpetuating, a runaway train of misinformation and propaganda that eventually acquires institutional structures like rigidity, bureaucratic legalism, self-protective fervor, a dearth of self-awareness, and so on. In fact, potent beliefs and indeed entire ideologies have sprung

forth from such synthesis, to then be aggressively propagated by adherents, with all provable causes forcefully rejected in favor of fabrications that conform to the new, hurriedly institutionalized worldview.

Recalling the two sets of causal relationships mentioned previously, our modern context of isolation, complexity, technology, specialization and superagency certainly seems to lend itself to both the masking process and its runaway propagation and institutionalization. It has become much easier, in other words, to mask the second set of seemingly more abstracted and complex causal relationships — or to invoke vast clouds of hazy interdependencies in either set — so that causation can be craftily shaped into an occluded, subjective miasma of "alternative facts." And although deities, fate, synchronicity, mischievous spirits and superstitious agency may still be credited with many bewildering events, there is now an industrial strength, global communications network that can instantly shape and amplify false explanations for a wide array of phenomena. Via social media, troll farms, sensational journalism, conspiracy theorists, pedantic talk-show hosts and the like, we have a well-established, *widely trusted* platform to breed outrageous distortions of the truth. And we can easily discern — from the consistency of the distortions over time, and by whom and what they vilify — that the primary aim of nearly all such efforts is to *mask the actual causes of countless economic, social, political and moral problems*, and redirect the attentions and ire of loyal audiences to oversimplified explanations, straw man arguments, and xenophobic scapegoats. It is professional-grade masking at its finest.

That said, in the age of instant information access and pervasive mass media aggregation and dissemination, I would contend it has now become increasingly critical for these propaganda engines to excel beyond spinning evidence or cherry-picking supportive data, and to begin *engineering* events that align with a given narrative in order to secure enduring conformance; to reach past merely masking causation into the realm of actually reshaping it. This is what the deliberate, *willful forcing of causation* seeks to accomplish, and why extraordinary amounts of effort and resources — at least equivalent to those being expended on causal masking itself — have been spent in its pursuit.

### III. Forcing

Willful forcing in this context is primarily about the intentional, frequently sustained manufacturing of causal evidence. For example, let's say I am seething with jealousy over a coworker's accomplishments, and I am filled with a petty lust to sabotage them. At first, I might attempt to mask the cause of their success with malicious gossip: what they did wasn't all that great, or they must have cheated along the way, or the boss was favoring them with special help, or the coworker must have been performing favors for others to achieve such great results. But if *masking* the actual cause of their success (that is, their credible competence, talent, hard work, etc.) isn't having sufficient effect, and I am still raging with vindictive spite, well then perhaps arranging some fake proof of my coworker's faults or failures will do the trick. Perhaps leaking a confidential memo from human resources about accusations of sexual misconduct? Or feeding that coworker subtly incorrect data on their next project? Or maybe promising them cooperation and assistance in private, then denying it in public when it can sabotage their efforts? If I keep at this long enough, I just might induce some real failures and shatter the "illusion" of my coworker's success. This is what willful forcing looks like, and is sort of connivance we might expect from TV dramas. But nobody really does this in the real world...right?

Unfortunately, it happens all the time — and increasingly on larger and larger scales as facilitated by the global reach of technology, capitalism, media and culture. We've seen such tactics used in the take-downs of political leaders, in the character assassinations of journalists and celebrities, in carefully orchestrated attacks on government and corporate whistleblowers, in how various activist movements are dismissively characterized in mass media, and in the billions spent to turn public opinion against beneficial public policies and legislation that might undermine established wielders of power. But is any of this "forcing" creating a causal relationship that wasn't already there...? Well, as one example, if reports of what happened during the 2016 U.S. Presidential election are accurate, then forcing did occur, via DNC efforts that deliberately undermined Bernie Sanders in favor of Hillary Clinton;<sup>1</sup> Republican state legislatures that deliberately suppressed Democratic voters with voter ID laws, restricted polling times and places, and other such tactics;<sup>2</sup> and Russian hackers that aimed to alienate Blue Dog Democrats and independent voters away from voting for Hillary Clinton.<sup>3</sup> So what came to pass was that assertions of any individual or party who appeared to be leading in the polls actually not having enough votes to win

was...well...*carefully engineered to be true*. This is what causal forcing looks like on a larger scale.

In a more sustained forcing effort over a longer period, the Affordable Care Act has also become a particularly potent example. In this case, there was a pronounced lack of initial cooperation from conservative governors and state legislatures,<sup>4</sup> relentless and well-funded anti-Obamacare propaganda to maintain negative sentiments across the electorate,<sup>5</sup> and dozens of efforts in the U.S. House and Senate to repeal the ACA itself — all of which has now been followed by the even more deliberate defunding and insurance market destabilizing efforts from the Trump administration via executive action (eliminating ACA cost-sharing subsidies,<sup>6</sup> etc.). And all of this contributed to *fulfilling the causal masking* that was broadcast by those opposed to government oversight of U.S. healthcare — during the ACA's creation and passage, and every month since then. In other words, years of carefully planned and executed sabotage have been *forcing* the invented causality of claims like "Obamacare is a total failure and will collapse on its own" to become true.

It isn't always necessary to force causal relationships, of course, in order to maintain lockstep conformance. There are plentiful examples in politics of people continuing to vote for a candidate or party who never fulfills any campaign promises...ever. But we must remember that masking — and all individual and collective investment in masking — only requires partial reinforcement from observations and experience, an ongoing emotional investment, a blindness to our own hypocrisy or groupthink, and a conditioned receptivity to deceptive salesmanship. So as long as there is occasional proof that some authority we trust got something right, or some attitude we hold is justifiable, or the ideology we have chosen will still offer us acceptance and community, or the rabbit hole we've ventured down with an endless chain of bad choices has few or delayed palpable consequences...well, then those who wish to influence the masses only need to effectively force causation in the rare now-and-again.

Still, I would contend that a consistent pattern of fabrication has been emerging over many decades now: first misattribution, then masking, then forcing, all eventually leading to calamity and ruin in human relations and civil society — and disruption of our relationships with everything around us — thereby generating a closed loop of virtual causality. But in

case these assertions seem contrived, let's take a closer look at additional real-world examples.

### ***Virtual Causality in Action***

Initially, I considered using "trifecta" to describe this particular trio of causal entanglements, because the motivations behind it appear to be all about winning; that is, it is employed primarily to shape a status quo that either directly benefits those who crave more power, influence or social and material capital, or directly injures or oppresses anyone interfering with that desired status quo. Thus the troika often becomes the trophy, the prize-in-itself, as its inventions and propagation become emblematic of such self-serving success — in other words, a trifecta. But really, this need not be the specific intent behind causal distortions; in fact I would say that the virtual causality troika is unwaveringly damaging in human affairs, *regardless of its intent*. Let's examine some evidence for this....

If, out of fear, discomfort, confusion, ignorance or social conformance, I begin to misattribute homosexuality to a personal choice — rather than the innate, genetic structures and proclivities, which are almost certainly the reality for most gay people — and then link that assertion to tribal groupthink and an appeal to my favorite authorities, an almost effortless next step is intentionally or reflexively masking the actual causality with my own preferred beliefs. That mask may be projected into many shapes: perhaps an unhealthy or perverse interest was encouraged in a person's youth that led them to "choose" being gay; or perhaps they were sexually abused by a parent, older sibling or family friend; or maybe there are emotional, social or cognitive impairments that have led them to fear the opposite sex; and so on. There can be quite elaborate masking narratives if the need for self-justifying beliefs is strong enough. From there, perhaps because the misattribution itself is so heartbreakingly mistaken, there is a corresponding urge to force the desired, invented causation. Which then leads me...to author studies that "prove" early sexualization of children and/or permissive parenting somehow encourages sexual deviance, promiscuity or gender instability; or to engineer "gay deprogramming" efforts that "prove" gay people can become straight; or to create dogmatic propaganda that authentic marriage can *only* be between "a man and a woman," that gay parents can never

be allowed to adopt children because it is "unnatural," that gay people can't hold jobs where they could potentially "corrupt" children, and other such constructions that *manufacture an environment where gay people are in some way prevented from becoming successful and happy in their relationships, families, and jobs — and indeed their overall integration in society* — thus eventually confirming, with contrived "proof" over time, that being gay is not natural, healthy or wise. And this is how *misattribution* easily leads to *masking*, which then begs the reinforcement of *forcing*.

So in such a potent and seemingly enduring real-world example, the deleterious effects seem closely tied to fearful and dismissive intent. But what about the other end of the spectrum? Consider the beliefs of many people in modern culture regarding the desirability of wealth, and in particular the necessity of commercialistic capitalism to create a thriving and happy lifestyle for everyone. Much of the time, this isn't a nefarious or malevolent intent — folks may actually believe that everyone aggressively competing with each other for more and more wealth is "a good thing," and, further, that such pursuits are morally neutral; in other words, permissive of an "*anything goes*" mentality with regard to wealth creation. And if I truly embrace this belief, I will tend to mask my own observations about the world, about history and economics, about social movements, about government and everything else in accordance with that belief. In my unconsciously reflexive confirmation bias, I will only recognize arguments and evidence that seem to support my beliefs. That is, I will mask the actual causality behind events and data that embody my preferred causality, assiduously avoiding empirical research that debunks the travesty of "trickle down" economics, or that proves most conceptions of the Laffer curve to be laughable.

Then, because my beliefs are not really supported by careful analysis of available evidence — and are in fact thoroughly contradicted by a preponderance of data — I will eventually go beyond seeking out research, media and authorities that amplify my preferred causation, and begin to force that causation in my own life, the lives of those I can personally influence, and via my political leanings and spending habits. On a collective scale, I will vote to have judges appointed who favor corporations in their rulings, or for legislators who create tax breaks for the wealthy, or for Presidents who promise to remove regulatory barriers to corporate profits. On a personal level, I will explode my own debt burden in order to appear more affluent, and constantly and conspicuously consume to prop up growth-dependent markets. And, on a global level, I will advocate neoliberal policies that exploit

cheap labor and resources in developing countries, and the ruination of my planet and all its species of plant and animal, in service to the very few who are exponentially increasing their personal fortunes. In these ways, I can help generate short-term surges of narrowly distributed prosperity that do indeed reward those who have already amassed significant wealth, and who will vociferously confirm that everyone else in society is benefitting as well...even when they are not.

In this second example, there can be a truly optimistic and benevolent intent in play — a person may really believe their misattribution, masking and forcing will create the positive impact they imagine. But the results of the disconnect between actual causality and invented causation still wreaks the same havoc and suffering in the world. For in this case we know that it is not wealth alone — operating in some sort of market fundamentalist vacuum — that lifts people out of poverty or liberates them from oppressive conditions. It is civil society, education, democracy, accessible healthcare, equal rights protected by the rule of law, the grateful and diligent civic engagement by responsible citizens, and much more; this cultural and societal context is absolutely necessary to enable freedoms and foster enjoyment of the fruits of human labor. Without a substantive and enduring matrix of such complex and interdependent factors, history has reliably shown that wealth production sans civil society results in callous and brutal enslavement of everyone and everything to its own ends, so that to whatever extent greed runs amok, the destruction of individual and collective well-being is facilitated to the same degree.

Here again we can recognize that isolation, complexity, technology, specialization and superagency tend to obscure causality, even as they amplify our ability to mask or force causal relationships. So on the one hand, it is more difficult to tease out cause-and-effect in complex, technologically dependent economic systems, but, once certain key effectors are identified, human superagency then makes it much easier to manipulate temporary outcomes or perceptions of longer-term outcomes. And this is precisely why the troika we've identified can maintain the appearance of victory within many dominant mediaspheres, noospheres and Zeitgeists — at local, national and global levels. To appreciate these dynamics is to have the veil between *what is real* and *what is being sold as reality* completely removed — in this and many other instances. Otherwise, if we cannot remove that veil, we will remain trapped in a [spectacle](#) of delusion that perpetuates the greatest suffering for the greatest number for the greatest duration.

As to how pervasive and corrosive virtual causality has become in various arenas of life, that is probably a broader discussion that requires more thorough development. But, more briefly, we can easily observe a growing body of evidence that has widely taken hold in one important arena. Consider the following example and its consequences:

**Perceived Problem:** Social change is happening too quickly, destabilizing traditional roles and identities across all of society, and specifically challenging assumptions about the "rightful, superior position" of men over women, white people over people of color, adults over children, humans over Nature, and wealthy people over the poor.

**Actual Causes:** Liberalization of culture, education, automation, economic mobility and democratization have led to wealthy white men losing their status, position and power in society, so that they feel increasingly vulnerable, insecure and threatened. And while their feelings of entitlement regarding the power they are losing have no morally justifiable basis — other than the arbitrary, serendipitous or engineered advantages of past traditions, institutions and experiences — these wealthy white men have become indignant, enraged and desperate. So, rather than accepting a very reasonable equalization of their status and sharing their power with others, they are aggressively striving to reconstitute a perceived former glory.

**Misattributions:** Recreational use of illicit drugs, sexual promiscuity, homosexuality, lack of parental discipline, immoral and indulgent entertainment media, immigrants or races with different values, governmental interference with personal liberty and moral standards, and liberal academic indoctrination have all contributed to the erosion of traditional family values and cohesion, resulting in an unnatural and destructive inversion of power dynamics in society and the easily grasped consequences of interpersonal and group conflict, increases in violent behaviors and crime, and general societal instability.

**Causal Masking:** Establishing think tanks and funding research that supports these causal misattributions with cherry-picked data; using mass media with a dedicated sympathetic bias to trumpet one-sided propaganda about these same causal misattributions; invoking religious sentiments and language that similarly cherry-pick scriptural and institutional support for sympathetic groupthink and activism; generating cohesive political platforms and well-funded campaigns grounded in these misattributions — and in the dissatisfaction,

resentment and anger they evoke; and, via populist rhetoric, generally emboldening prejudice and hate against groups that threaten white male power.

**Causal Forcing:** The strident dismantling of public education and access to higher education; cancelling or defunding successful government programs; capturing or neutering regulatory agencies; destroying social safety nets; rejecting scientific and statistical consensus in all planning and policy considerations; and engineering economic, social and political environments that favor the resurgence of wealthy white male privilege and influence. In other words, removing any conditions that encourage equitable resource distribution, sharing of social capital, and access to economic opportunity, and restoring as many exclusive advantages as possible to wealthy white men.

**Consequences:** A renewal of income inequality, race and gender prejudices, lack of economic mobility, and cultural and systemic scapegoating of non-white "outsiders;" pervasive increase in societal instability and potential for both violent crime and institutional violence; mutually antagonistic identity politics and class conflict that amplifies polarization and power differentials; coercive use of force by the State to control the increasing instability; and gradual but inevitable exacerbation of injustice and systemic oppression. Adding superagency, isolation, specialization, complexity and technology to this mixture just amplifies the instability and extremism, increasing the felt impacts of ever-multiplying fascistic constraints and controls. Ultimately all of this results in increasing poverty and strife, and in pervasive deprivations of liberty for all but a select few.

### ***Countering Virtual Causality with a Greater Good***

In response to the dilemmas created by the troika we've discussed so far, I've been aiming to work through some possible solutions for several years now. I began with a personal realization that I had to address deficits in my own well-being, deficits created by years of conforming to toxic cultural expectations about my own masculinity, and the equally destructive path of individualistic economic materialism which I had thoughtlessly followed throughout much of my life. I encountered an initial door to healing through studying various mystical traditions and forms of meditation, which resulted in my books *The Vital Mystic* and *Essential Mysticism*. However, I also realized that this dimension was only part

of the mix; there were at least a dozen other dimensions of my being that required equal attention and nurturing. As I explored these facets of well-being, I arrived at the [Integral Lifework](#) system of transformative practice, my books *True Love* and *Being Well*, essays exploring compassionate multidimensional nourishment (see [www.tcollinslogan.com](http://www.tcollinslogan.com)), and the onset of an Integral Lifework coaching practice.

But something was still missing — something more causally essential or fundamental, that was hinted at in my previous experiences — and that is when I expanded my attentions to larger cultural, political and economic concerns. I began writing about the failures of capitalism, the distortions of religion and spirituality in commercialistic societies, the need for more holistic appreciations of liberty and knowledge, and the imperative of constructive moral creativity — offering a handful of what I believed to be fruitful approaches in these areas. Much of this culminated in the book *Political Economy and the Unitive Principle*, and then in my [Level 7.org](#) website, which explore some initial ways out of the mess we have created. Throughout these efforts, I presented what I believed to be some of the central causal factors involved in our current systemic antagonisms and failures, and some proposed next steps to actualize and sustain positive change. Of course what I have outlined in my work *is just one way to frame all of these situations and factors*, and, regardless of intentions, there will likely be many details and variables yet to be worked through. This is why piloting different participatory, distributed and egalitarian options will be so important in the coming decades. The main point, however, is that, just as so many others have recognized, *humanity cannot continue along its present course*. We must reverse the trends of moral immaturity and regression, and return to right relationships — compassionate, thoughtful, caring relationships — with each other and with the truth.

So this essay regarding virtual causality is an extension of this same avenue of considerations and concerns by burrowing through more layers of the onion — just one more piece of the puzzle, one more way to evaluate the current predicament...and perhaps begin navigating our way out of it. It seems to me that recognizing the cognitive distortions behind causal misattribution, masking and forcing are a central consideration for any remedy in the short and long term. I firmly contend that these involve the specific drivers underlying much of the evil in the world, perpetuating false promises that will only lead us over the cliff of our own demise. And in order to operationalize more constructive, prosocial, compassion-centered values, relationships and institutions on any scale — that is,

to counter the corrosive troika and promote the greatest good, for the greatest number, for the greatest duration — we must address those cognitive distortions head on. We must end the reign of lies, and reinstate a more honest, open and well-reasoned relationship with causality. We must resist the false reality we are being sold, and open our eyes, hearts, spirits and minds to what really is.

How do we do this? Well, the totality of my own life's work to date describes one avenue, through which I advocate specific individual and collective efforts to reverse our downward spiral. But as I cruise around the Internet from day to day, I encounter countless varied ideas, practices and resources supportive of positive change. Really, the answers are already out there (and within ourselves), just waiting for us to embrace them. All we really need to do to begin this journey is let go of the causal misattributions, masking and forcing that intrinsically fuel our perpetual fear, mistrust, anger and groupthink, and turn instead toward what is verifiably true — as complex, nuanced, ambiguous and counterintuitive as that truth may be. And there are already meaningful efforts along these lines within some disciplines — *Freakonomics* comes to mind, as do websites like [politifact.com](http://politifact.com), [factcheck.org](http://factcheck.org), [opensecrets.org](http://opensecrets.org), and [snopes.com](http://snopes.com) — that model ways to peek through the veil of our mistaken assumptions and beliefs. *We just require more of these, across all disciplines and all media, along with open accessibility and the encouragement to seek them out.* How hard could this be...? Even the most concerted efforts to deceive, distract and medicate us into conformance with virtual causality will fail, if we stop consuming them.

Lastly there are a handful of feasible personal practices that will help resolve part of this challenge. I discuss them in more detail in my writings on meditation and Integral Lifework, but essentially they include reconnecting with aspects of ourselves and our environment that modern life often encourages us to neglect. For example: spending alone time in nature; creating a disciplined habit of meditative introspection; investing regular time and energy in a supportive community that shares our values; shifting how we consciously process our experiences, from fast-paced analytical decision-making, to slower body-centered felt experience, to even slower heart-grounded intelligence; making sure we have space and time in our day for creative self-expression; and additional personal patterns that unplug us from electronic dependencies, naturally attenuate modern compulsions and addictions, and encourage both holistic self-care and compassionate engagement with others. Such practices are a powerful means of revitalizing the innate resilience,

intelligence and creativity that millions of years of evolution have gifted our species. By returning to our authentic selves, we can regain an inner compass to help navigate these complicated and often alienating times.

When I was a technical consultant, there was a term for carelessly hurtling forward to keep pace with current technology, implementing the latest trends as soon as they emerged: we called it "riding the bleeding edge." The allusion was deliberate, because new tech could be risky, could fail, and might lack both technical support and future development. Instead, in my consulting I advocated a different approach: extending legacy systems and future-proofing them, or adding new technology that would integrate with legacy systems (or run in parallel, with minimal cost) that offered extensibility for future technology integration — a bridge if you will. There was nothing particularly flashy about what I was doing, but this approach solved some fairly complex challenges, lowered hidden costs (such as retraining staff on new systems, or hiring expertise to support new technologies), and leveraged institutional knowledge and existing technical competencies. In my view, we need to do something similar for modern society, slowing down wide-scale deployment of "bleeding edge" innovation, and revisiting basic legacy components of human interaction and well-being. We need to create a bridge to our future selves that leaves as few people behind as possible, while preparing us for new ways of being and doing.

But our very first step must be to abandon virtual causality altogether, and reconnect with the real world — within and without — in whatever ways we can.

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Following up on some feedback I received after initially posting this essay....

*Petyr Cirino pointed out that a powerful influence in modern society is our immersion in the 24-hour news cycle, which often results in a strong identification with the same. To be connected at-the-hip with nearly every noteworthy or sensational event around the globe, within minutes or hours of its occurrence, has come to dominate our sense of the world around us, what demands our emotional investment and prioritization from moment-to-moment, and is a determining factor in how we interact with people we know and familiar threads of thinking, how we view the people or thinking we don't know or understand, and*

how we feel about our lives and ourselves. The deluge of information and "newsworthy" events also tends to distract us from more immediate causality, contributing to an ever-expanding insulation from the real world and the abstraction of our interpersonal connections. Along with other mass media, the 24-hour news cycle consequently helps fuel, shape and sustain the causal troika to an astonishing degree. So it follows that divorcing ourselves from that cycle would be a helpful cofactor in first slowing, then remedying the perpetuation of misattribution, masking and forcing — for ourselves, and in how we amplify the troika in our relationships, social interactions, thinking and learning.

*Ray Harris* observed that *limited cognitive capacity — along with a need to protect that capacity from too much information — may also play a role in evoking and energizing virtual causality.* I think this is undoubtedly true, and would include it as a feature or consequence of complexity. Specifically, I think there is a snowball effect where complexity drives specialization, specialization generates insular language and relationships, and insular language and relationships contributes to isolation via homogenous communities and thought fields. These specialized islands barely comprehend each other, let alone regularly dialogue with each other, and cognitive capacity certainly plays a role in this phenomenon. I would also include other aspects of mind that contribute to troika formation, and which are also entangled with complexity, specialization and isolation. For example: how gullible someone is, how disciplined they are in their critical reasoning, how educated they are in general, how tribal their thinking becomes, etc. Addressing these tendencies may also become part of a long-term remedy, but of course there are genetic, dietary, cultural and relational factors involved here as well. It seems that any attempts to manage the troika tendency, or compensate for it in media and communication, would therefore require consideration of a sizable matrix of interdependent factors. Or maybe a majority of humans just need to become smarter, better educated, and learn how to think carefully and critically...? Certainly, we can encourage this through ongoing cultural liberalization — we just need to attenuate the influences of capitalism in order for that liberalization to take its fullest course.

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<sup>1</sup> See <https://www.theguardian.com/us-news/2015/dec/18/bernie-sanders-set-to-sue-democratic-national-committee-over-data-access>; <http://yournewswire.com/wikileaks-dnc-committed-election->

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fraud-against-bernie-sanders/; <http://www.chicagotribune.com/news/columnists/ct-dnc-sanders-glanton-talk-20160725-column.html>; <http://www.newsweek.com/dnc-fraud-lawsuit-claims-bernie-sanders-would-have-won-rigged-election-hillary-611165>;  
<http://www.nydailynews.com/news/politics/hundreds-ny-voters-file-lawsuit-alleged-voter-fraud-article-1.2603876>

<sup>2</sup> See <http://www.rollingstone.com/politics/features/the-gops-stealth-war-against-voters-w435890>;  
<http://www.motherjones.com/politics/2017/10/voter-suppression-wisconsin-election-2016/>;  
<http://www.esquire.com/news-politics/politics/news/a56423/2000-recount-republican-voter-suppression/>

<sup>3</sup> See <http://fortune.com/2017/11/02/russia-hackers-u-s-election/>;  
[https://www.washingtonpost.com/world/national-security/dhs-tells-states-about-russian-hacking-during-2016-election/2017/09/22/fd263a2c-9fe2-11e7-8ea1-ed975285475e\\_story.html?utm\\_term=.3146ee394630l](https://www.washingtonpost.com/world/national-security/dhs-tells-states-about-russian-hacking-during-2016-election/2017/09/22/fd263a2c-9fe2-11e7-8ea1-ed975285475e_story.html?utm_term=.3146ee394630l);  
[https://www.nytimes.com/2017/09/07/us/politics/russia-facebook-twitter-election.html?\\_r=0](https://www.nytimes.com/2017/09/07/us/politics/russia-facebook-twitter-election.html?_r=0)

<sup>4</sup> See <https://www.theguardian.com/commentisfree/2013/jun/03/republican-medicare-expansion-sick>;  
<http://beta.latimes.com/opinion/op-ed/la-oe-baker-obamacare-red-state-20170713-story.html>

<sup>5</sup> See <https://rewire.news/article/2017/06/16/democrats-investigate-hhs-pushing-anti-obamacare-propaganda/>;  
<http://www.weeklystandard.com/anti-obamacare-ads-dominate-gop-ad-buys-in-october/article/817183>;  
<https://secure.marketwatch.com/story/why-anti-obamacare-tv-ads-continue-to-air-2013-03-19>

<sup>6</sup> See <http://money.cnn.com/2017/10/13/news/economy/trump-obamacare-subsidies/index.html>;  
[https://www.washingtonpost.com/national/health-science/trump-to-sign-executive-order-to-gut-aca-insurance-rules-and-undermine-marketplaces/2017/10/11/40abf774-ae97-11e7-9e58-e6288544af98\\_story.html?utm\\_term=.f186e4643e90](https://www.washingtonpost.com/national/health-science/trump-to-sign-executive-order-to-gut-aca-insurance-rules-and-undermine-marketplaces/2017/10/11/40abf774-ae97-11e7-9e58-e6288544af98_story.html?utm_term=.f186e4643e90)

# The Underlying Causes of Left vs. Right Dysfunction in U.S. Politics

By T.Collins Logan

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In the aftermath of the last few election cycles, there is no longer any question that the political landscape of the United States is debilitately polarized, combative, toxic and dysfunctional. And perhaps the seeds for those conditions have been lurking beneath the surface for some time – perhaps they are actually cultural in nature, rather than ideological. What is less clear, however, are the actual causes of that cultural and political tension and brokenness. There are of course loud and pedantic blame-games issuing from all corners of that discussion, and these routinely align with a given political ideology or cultural bias, but it has always been a source of confusion and irritation for me that these often authoritative pronouncements seem to be missing something; that they speed right past many of the fundamentals in play, and frame every argument in what are essentially superficial conditions far down the causal chain. We will touch upon some examples of this later on, but for now let’s focus on those missing fundamentals: on the root causes of the Left/Right divide, *and why each side is actually operating from similar faulty foundations*. In other words, let’s focus on the shared ground of error from which the superficial divisions have arisen and become so amplified.

First to lay some groundwork....

## Modes of Personal-Social Agency

In order to understand the agency dynamics in play for any position along a cultural, political or ideological spectrum, we require a rough framework for measurement. Here is a proposed matrix to assess that agency, with variables that aim to be self-defining, but that will be further clarified in examples to follow:

	Willing Agreement	Sacrificial-Beneficial Compromise	Non-Voluntary Imposition
<b>1. Self-Referential</b> (impact on me)	0-100%	0-100%	0-100%
<b>2. Collectively Negotiated</b> (impact on my tribe/group/identity)	0-100%	0-100%	0-100%
<b>3. Cultural/Systemic</b> (impact on social norms & presumed status quo)	0-100%	0-100%	0-100%
<b>4. Codified/Institutional/Structural</b> (impact on formalized structures of civil society)	0-100%	0-100%	0-100%

To illustrate how this matrix could be applied, let’s evaluate a topic using a speculative percentage for each variable as a placeholder. As our first attempt we’ll examine an established social norm, which also happens to be codified in law.

<b><i>Murder is Wrong and Must Be Prohibited – With Some Exceptions</i></b>	<b>Willing Agreement</b>	<b>Sacrificial-Beneficial Compromise</b>	<b>Non-Voluntary Imposition</b>
<b>1. Self-Referential</b> (impact on me)	Unless someone is suicidal, terminally ill, severely depressed or mentally ill, they generally do not want to be murdered, or to <i>arbitrarily</i> murder someone else. So let's say <b>97%</b> willingly agree.	Again, the benefits to oneself are obvious, so the sacrifice to forestall one's own murderous impulses, or the arbitrary impulses of someone else, are also obvious (to all but psychopaths). <b>99%</b> recognize the trade-off benefits.	Only a severely mentally ill, terminally ill, or depressed person would consider their own murderous impulses (or the <i>arbitrary</i> murderous impulses of someone else) to be morally "good." So <b>1-3%</b> experience oppression.
<b>2. Collectively Negotiated</b> (impact on my tribe/group/identity)	As it is already codified law, the only negotiations exist around "what kind of murder is justified" – that is, in war, the death penalty, abortion, self-defense, use of lethal force by law enforcement, etc. – with fairly even divisions across these issues in the U.S. So let's say about <b>50%</b> willingly agree with a blanket, unconditional prohibition, while the other <b>50%</b> have detailed exceptions.	Again, in the public debate, perhaps <b>50%</b> recognize the benefits of sacrificing personal agency regarding killing others as a fairly universal standard, while another <b>50%</b> advocate more selective, conditional prohibitions – and for different kinds of exceptions.	Once again, perhaps <b>50%</b> feel that <i>not</i> allowing them to carry out certain "justifiable" murders is an imposition on their agency in certain circumstances. Critically, however, it will be a different <b>50%</b> based on which exception is in play: "pro-death penalty" does not equate "pro-right to die."
<b>3. Cultural/Systemic</b> (impact on social norms & presumed status quo)	This changes via sub-culture, situational threat, self-righteous anger, moral maturity, religious beliefs, violent environments, etc., but likely <b>&gt;90%</b> willingly agree with "murder is wrong" as a generalized social norm along with its necessary prohibition...as long as there can be exceptions.	As a social construct to support societal cohesion in most contexts, likely <b>&gt;90%</b> across all groups support a broad prohibition (even Right-Libertarians subscribe to the <i>non-aggression principle</i> ). However, different groups will have different definitions of "murder," based on the values of their particular tribe (especially within the more extreme ideological groups).	Very few folks would feel this is an unjustifiable imposition to regulate society, so likely <b>&lt;10%</b> across all groups might object to this governing principle.
<b>4. Codified/Institutional/Structural</b> (impact on formalized structures of civil society)	This changes based on a combination of factors from all of the considerations in variables 1-3 above, but we could use the mean of <b>79%</b> as a placeholder for support of institutional and lawful prohibition of murder, with certain exceptions aloud.	Tacit, non-resistant agreement with laws & institutions for the <i>appearance</i> of a stable civil society is probably close to <b>99%</b> - even if it is just to "fit in" with society (i.e. even psychopaths and the terminally ill will comply with a perception of law-abiding behavior for appearance's sake).	Again the considerations in variables 1-3 impact this metric, so for now we could speculate a mean of <b>21%</b> might object to institutions and laws that restrict or punish certain acts of murder in specific circumstances.

These are just speculative numbers, but they offer a basis for equally speculative comparison. So let's examine the "murder matrix" in some different, more granular contexts to further navigate its nuances, and to see how it holds up.

### **1. A Gang Member in a Poor Neighborhood**

Self-referentially, murder might voluntarily be considered immoral. However, this group would likely be part of the 21% that feel the laws and institutions of civil society do not appreciate or accommodate their circumstances and living conditions, and part of the 10% who feel actively oppressed by broader cultural norms. Certainly, they are part of the 50% that feels a disproportionate impact of “murder is wrong” attitudes on the collective agency of their group and identity, because the exceptional circumstances of their day-to-day lives are not fully understood. If someone believes that their whole family – and certainly their own life – is at risk if they do not retaliate with “eye-for-an-eye” killing, then the intervention of law enforcement and the more generalized expectations of society that “murder is wrong” will be at odds with the realities of their circumstances. For them, subjectively and objectively, such expectations and interventions amount to substantive interference with their liberty and right to exist.

### **2. A Conservative Parent of Teenager Who Is Obtaining an Abortion without Their Consent**

If the law of the land prohibits the parent from interfering with their teen’s seeking an abortion, this places that parent squarely in the 50% of those who believe that their conservative pro-life “tribe” is being oppressed and controlled by societal norms, and also in the 21% of folks who feel civil society is depriving them of agency and liberty, and the 10% who feel victimized by societal norms that conflict with their values around a specific definition of “murder.” Why? Because, if the parent sincerely believes that abortion itself equates murder, this constitutes a state-sanctioned violation of their values and the perceived freedoms of the unborn child in the context of “murder is wrong” – regardless of the fact that such sanctioning, in turn, may be supported by the broader cultural spirit of the times.

### **3. A Terminally Ill Elderly Person Who Wants to End their Own Suffering**

If such a person is of sound mind, but the law of the land prohibits them from legally and mercifully ending their own life, this places that patient squarely in the 50% of those who believe that their right to die “tribe” is being oppressed and controlled by societal norms in unjustifiable ways, in the 21% of folks who feel civil society is depriving their group of personal agency and liberty – but likely *not* among the 10% who feel the moral standard of “murder is wrong” has a disproportionate impact on them personally (because they appreciate the exceptionality, subjectivity and moral complexity of their situation). In this case, then, such a differentiation is meaningful.

### **4. A Person Wrongly Accused and Convicted of a Capital Offense, and is Consequently Sentenced for Execution**

With the introduction of new genetic evidence in the appeals of recent years, wrongful conviction appears to be a problem of epidemic proportions in the U.S. criminal justice system. And even though such a convicted felon might happily participate in the “willing agreement” percentages of all four “murder matrix” variables, they are also among the 21% who believe their own agency in the matter has been wrongfully interfered with under cultural and legal standards.

Here again, they may also be among the 10% who feel oppressed and constrained by the imposition of those values – because they have been wrongly accused and convicted.

### **5. A Person Defending Their Family from a Home Invasion**

For those who live in a U.S. State with a home defense “castle doctrine,” a person who defends their family with lethal force and incidentally causes an intruder’s death may not be charged with murder or manslaughter if they did not have an opportunity to retreat during the confrontation. So they fall neatly within all of the majority percentages in all variables. But what if the place where that person lives does not include such a castle doctrine in its local laws...? Now that person must witness their family being frightened, traumatized and possibly killed, without any *justifiable* ability to decisively defend their family from harm – without being at risk of legal liability. This may therefore place the non-castled home-defender among the 10% who feel victimized by societal norms in such a situation, and the 21% who feel oppressed by civic institutions.

### **6. A Conscientious Objector when Drafted into Military Service**

Conscientious objectors are outliers – they are part of the 10% who feel society unjustly compels them to murder (as a specific exception) when they feel it is immoral, and the 21% who experience structural oppression from compulsory military service in the case of a draft. In the U.S., a person must *prove* their ethical or religious objections to military service and/or participating in lethal combat – this cannot be a capricious, political, philosophical or selective conviction, but must be clearly evidenced in a person’s life as a “firm, fixed and sincere” moral or religious view. And yet, if they do not meet the expected minimum requirements of a particular time (and these have a wide variation since WWI), then they will be deemed insincere *and either compelled to murder against their will, or sent to prison for not doing so.*

These are probably sufficient illustrations of the challenge before us: we simply can’t impose universal, black-and-white rules across all of society without appreciating the modes of agency in play, the sometimes extraordinary conditions within which any given situation unfolds, and the unintended consequences of creating overly rigid or bureaucratic systems. The tendency to overly homogenize is, of course, often driven by an understandable need for standardization. What if, every time we crossed a city limit in our car, we had to abide by different rules? Here we drive on the left side of the road, there on the right. Here there are strictly enforced speed limits, there no speed limits exist. Here there are regular gas stations and rest stops, there gasoline and restrooms are only available in private, gated communities. This would be ridiculous, so standardization is necessary to avoid complete chaos and amplified risks. Add to this the snowballing complexity of modern life; the leap-frogging of new technologies; the exploding scope of mass communication; the frenetic intersections of countless and varied cultures around the globe; the increasing immediacy and interplay of all economic relationships – even as production itself becomes more and more abstracted from most

people's lives; the rapidly growing personal and collective knowledgebase required for basic navigation of routine daily choices – and the sophistication of information utilized in that navigation; the confusing and ever-enlarging contexts for all assumptions and decisions; and so on. *Of course we crave simplicity and black-and-white answers with all of this descending on us.* Of course we want a convenient, familiar, manageable handle on this astoundingly complex reality. Of course we want to reduce all rulesets to provide us with manageable, binary choices. How could we not?

But, in the case of many morally derived standards that impact personal or collective agency, arriving at common denominators is more difficult – especially in such diverse contexts as those presented by a modern technological society. And this is especially true when multiple cultures are involved, different belief systems are in play, innovation accelerates generational change and knowledge evolutions, and where increased standards of living, information access, and technology utilization create an ever-broadening equalization and enlarging of agency across all of society. Just consider that a clever teenager with a computer and Internet access, or a mentally ill person with a semi-automatic weapon and high capacity magazine, both have more individual agency than the majority of human beings who have ever lived on Earth – regardless of their position in society. In other words, a huge number of modern humans can instantaneously attain a kind of *individual superagency* that rivals the power that warlords, royalty and the wealthiest elite aimed to cultivate in past ages *across generations of extraordinary effort*. Under such conditions, binary suppositions and choices just don't cut it. We cannot rely on the clarity and simplicity of black-and-white reasoning *at all, ever*. Why? Because negative consequences are too immediate and extreme. There is no wiggle-room for error. And yet...for our own sanity and emotional security, we are compelled to cling to outmoded patterns of thought, and to values hierarchies that inherently conflict with the an ever-emerging, increasingly interdependent picture of the world. Which is how our very yearning for stability creates instability. This is a primary tension of our times.

**In this way we can begin to recognize the underlying, shared error of both Left and Right politics and ideologies in the U.S.** They both fail to recognize this fundamental shift in the ground game of life – in our understanding, communication, knowledge, decision-making and indeed agency itself. They are both stuck in a wrong-headedness that has failed to adapt or adjust to modernity, and often ends up amplifying the same mistakes into a storm of absurd replications. Consider how the 50/50 split in “collectively negotiated” determinations regarding exceptions in the “murder is wrong” matrix has become so problematic. If we focus on just this variable, we begin to see conflicting attitudes and values around what has not already been fully agreed upon across society – and we see them clearly in the six more granular contexts discussed thereafter. This is where worldviews can potentially collide. And yet, in cases of assertions and priorities on both the Left and the Right, we can often surmise that the basis for differing approaches do not rely on any sort of supportive evidence, but mainly the whims, incorrect assumptions and willfulness of each group. Differences on right to die, parental consent for teen abortions, the castle doctrine, death sentencing and conscientious

objection are profoundly personal, emotional, spiritual or deeply cultural, and do not lend themselves to a “one size fits all approach.” Likewise, the unique experiences and dynamics in poor neighborhoods with gang violence cannot be rigidly addressed within exactly the same social and legal framework as less volatile, more affluent neighborhoods. In all of these cases, evidenced-based solutions do exist, and we’ll cover some of those later on, but the enduring resistance to patient, systematic and rational approaches to these challenges is also understandable.

That said, it seems a worthy goal to eliminate these shared errors on the Left and the Right, and encourage a relaxation of rigid, black-and-white reasoning, an openness to evidenced-based, pragmatic approaches, and a willingness to dialogue around a clear “sacrificial-beneficial compromise” for each unique situation when required. So how can this be accomplished? Well, we should recognize this entire process would need to be insulated from propaganda and misinformation campaigns that disrupt rational discourse in favor of knee-jerk emotional reactivity – something we will discuss more fully later in this essay. And there are undoubtedly many other helpful components, such as basic education and fostering critical thinking skills among the voting public, access to reliable information in order to make higher quality decisions, news media that does not distort its reporting to appease ideologies or advertisers, and perhaps even a way for the electorate to vote directly on important issues – without the interference of corporately-appointed elected officials. How to address complex or nuanced exceptions is itself a complex and nuanced task, which is why we can’t approach it with polarized thinking, oversimplified narratives, or binary solutions. In the context of this essay, it is therefore ironic that we must even frame the U.S. sociopolitical landscape in terms of “Left” and “Right,” as this dualistic condition further aggravates conflict and constrains solutions. So solving this challenge will be testing ground for new ways of thinking, being and doing. Hopefully, some of the framing found here around modes of personal and social agency will resonate with those willing to step outside of conditioned habits – that is, **outside of the boxes designed to keep the Left and Right from ever finding common ground**. But this is only a first step.

The second step is recognizing another critical component to the politically paralyzing mix, and that is a pervasive tendency to externalize our own agency, and consequently embrace a victim identity. This is another pattern that prevails on both the Left and the Right, adding to the dissonance of the discourse. So that’s what we’ll explore next.

## Externalizing, Self-Victimizing Abdication of Agency

From the earliest ages of childhood, Americans are conditioned by our dominant culture not to respond to our internal intuitive promptings, or to pursue careful reasoning and consideration, or to discuss and evaluate conclusions with other thoughtful people, but rather to rely on external authorities, peer pressure, the groupthink of our tribe of origin, and to reflexively respond to commercial calls-to-action. This is our cultural norm. Some of these tendencies do indeed seem

to be hardwired – a consequence of humans evolving as social critters that need to belong and integrate with their environment in order to survive. It's just that U.S. society quite literally "capitalizes" on those tendencies, amplifying them to an alarming degree. So much so that, over time, Americans develop a strong habit of reflexively accepting what a chosen authority claims is true, or unquestioningly complying with peer pressure, or unconsciously buying what we are persuaded to buy as a consequence of repeat advertising and marketing exposure. Americans thereby end up *reacting* to externals, rather than *acting* according to our internal compass of values, discernment and conscience.

Don't have a love-life? No problem: Just buy this new product that will make you sexy and attractive. Feeling a little down? No problem: Ask your doctor for this new psychoactive drug. Overweight and out-of-shape? No problem: Buy into this diet and exercise program. Feeling spiritually adrift? Join this religious institution. Tired of not being able to afford the lifestyle you want? Try this multi-level marketing scheme. Frustrated about the direction the country is taking? Join this political party. Angry about the lack of opportunity and economic mobility for your kids? Blame the immigrants and vote for me to fix it! And, all the while, the subtle but persistent pattern in play is an ever-increasing abdication of personal agency, along with a swelling self-identification as a helpless victim. And this is how we end up not taking much personal responsibility for conditions in our lives, but instead blame others and try to control them. This is how we create elaborate, self-deceiving illusions of personal efficacy, *while actually destroying our own power.*

This victim mentality and voluntary giving away of agency then lead to a strange distortion of what activism and self-liberation look like for any given challenge, which in turn end up being reflected in both social mores and, ultimately, even legislated legal prescriptions and proscriptions. If a student doesn't feel emotionally safe or comfortable on their school campus for some reason, *that school's culture needs to change.* If a religious person doesn't feel their religious practices are accepted or respected by their community, *that community needs to demonstrate respect and acceptance in some way.* If a workplace isn't being inviting or accommodating to a disabled person, *the workplace should conform to that person's needs.* If a woman feels a man is being misogynistic or inappropriate in his behavior in ways that make her uncomfortable, *that man must change his attitudes and behaviors or be publically humiliated.* If a transgender person feels wounded or oppressed by others who do not use their pronoun of choice, *those others are asked to adopt usage of that pronoun.* If someone living with mental illness is being triggered by how the people around them are acting or speaking, *those others are expected to learn to be more trauma-aware, and adjust their language and behaviors.* If people of color feel that all white people at their college should acknowledge society's pervasive white privilege, *then all white people should demonstrate that acknowledgement by leaving college property for a day.*

Can you see the correlations here? Because of a culture that is steeped in a Zeitgeist of externalized agency and personal helplessness, all remedies to any problem must be actualized by *others*, rather than internally navigated and

owned by the person who feels vulnerable or victimized. And what this does, ironically, is just gift others with more agency, while eviscerating our own agency. In each of the cases described in the preceding paragraph, the oppressors retained all of the power in the given situation. *The perceived offenders were gifted the responsibility for all of the outcomes, and anointed with all of the agency to reify a just or fair result.* And so the party that feels the most oppressed in these examples is really just oppressing themselves further, by relinquishing more of their own agency and relying on the conformance of others to feel empowered.

And what can we confidently say about human beings who are forced to comply with someone else's will in order to remedy a given situation? Well, if that person does not agree with the values being imposed on them, they will simply resent the imposition. The mother who does not think stealing an apple to feed her hungry child is "wrong" will not learn from being punished for that theft – except, perhaps, to be more devious and careful next time. The child who does not feel defending their sibling from bullies on the playground was "wrong" won't learn not to do so if they are punished by the school administrator – instead, they will likely find ways to retaliate against the bullies after school or off of school grounds. Research has shown that, when drivers feel a posted speed is unreasonable – or believe that it has been implemented for political reasons – *they think it's safe to exceed the speed limit and break the law.*<sup>1</sup> This is the problem with imposing rules that lack willing agreement, have no clear sacrificial-beneficial trade-off, and are experienced mainly as a non-voluntary imposition.

And this is how we come full circle to modes of personal-social agency. Those considerations – all of those variables of self-referential, collectively negotiated, cultural/systemic and institutional/structural agency in the proposed matrix – must be carefully considered, discussed and agreed upon via highly distributed and participatory mechanisms, in order for a given set of societal expectations or laws to be successfully implemented and sustained across different contexts. Otherwise, we are just reinventing new forms of tyranny and unwanted impositions. This is why, in my work on a Level-7 political economy (see [www.level-7-org](http://www.level-7-org)), I have emphasized the need to address moral development and maturity as a prerequisite for implementing any advanced, egalitarian framework. In the case of progressive, compassion-centered, evidence-based solutions, it is really not possible to enact them when a large portion of society is not morally prepared to do so. And if low levels of personal maturity have, in turn, been permissively reinforced by an existing I/Me/Mine culture of individualistic materialism – over many decades – how can we ever hope to implement higher-order systems of self-governance and economics without first addressing moral and social development itself...?

To clarify, let's illustrate this further with another *modes of agency* matrix. This time, let's consider something with a more targeted or specialized context, but which nevertheless has been broadly implemented: sex education.

<b><i>Sex-Ed Helps Pre-Teens Make Safer, Better Choices</i></b>	<b>Willing Agreement</b>	<b>Sacrificial-Beneficial Compromise</b>	<b>Non-Voluntary Imposition</b>
<b>1. Self-Referential (Parents)</b> (impact on me)	In countless national surveys, over many years, most parents willingly agree that children should receive general sex education in school. <sup>2</sup> <b>93%</b>	To most parents, the benefits of sex-ed are obvious, and the sacrifice of their child’s ignorance is well worth protection from STDs, unplanned pregnancies, confusion and pain. <b>93%</b>	Very few parents feel as though even general sex-ed is an imposition on them or their children, or that it interferes with their values and choices. <b>7%</b>
<b>2. Collectively Negotiated (Parents)</b> (impact on my tribe/group/identity)	There isn’t much disagreement over sex education, but there is debate over what should be included and how explicit certain topics should be. <sup>3</sup> So this is an area that invites negotiation. <b>70%</b>	The public debate leans heavily toward responsible sex-education, but there is active resistance to the most explicit, “comprehensive” sex-ed curricula from conservative religious groups, and an agenda to prioritize abstinence-only programs. Nevertheless, roughly <b>70%</b> support comprehensive sex-ed.	The only real “imposition” question in a collective negotiation sense seems to be which takes priority in sex-ed: <i>abstinence or contraception</i> , and whether “comprehensive,” more explicit and diverse sexual information should be taught. There are <b>&gt;30%</b> who feel <i>not</i> teaching abstinence-only is an imposition. <sup>4</sup>
<b>3. Cultural/Systemic</b> (impact on social norms & presumed status quo)	Here we begin to brush up against a cultural divide between the Left and the Right – particularly social conservatives in rural areas and liberals in cities – regarding educational curricula. Still, while <b>93%</b> want sex-ed taught, some <b>91%</b> would also like abstinence to be part of that curriculum. <sup>5</sup>	Prior to Right-wing, religiously-based opposition to sex-ed curricula in rural areas, this was a non-issue. But the linking of Planned Parenthood to sex-ed in school districts and other fomenting of outrage caused a recent surge of opposition to sex-ed programs <sup>6,7</sup> – and a continuing antagonism to what was already a downward trend in implementing those curricula. <sup>8</sup> <b>70%</b>	<b>&gt;30%</b> of parents feel that abstinence-only curricula and less explicit information about sexual acts should be a priority, and oppose “comprehensive” sex-ed.
<b>4. Codified/Institutional/Structural</b> (impact on formalized structures of civil society)	Again, rural/metro regional differences shape very different priorities and approaches, reflecting different levels of “willing agreement” based on the curriculum involved. We can use the generic <b>93%</b> support number fo general sex-ed, but quickly need to take a more targeted approach based on regions and demographics.	<b>93%</b>	<b>7%</b>

There are three central considerations for understanding the “sex-ed matrix” above. The first is that, just as we might see indicated on Red and Blue electoral maps, rural and urban cultures and values around some topics can be very different. The second is that the specific content of the sex-ed curriculum has tremendous impact on the level of parental support for that curriculum. The third is that the data has been accumulating on “abstinence-only” sex-ed approaches, and it’s not good: both teen pregnancy rates and birthrates increase when abstinence-only curricula are the

primary emphasis.<sup>9,10</sup> What this indicates is that evidence-based approaches to sex-ed will include more thorough, comprehensive, detailed discussion of sexuality and contraception. Not doing so is just a bad idea.

But here it is again: escalating conflict over what curriculum should be used at what age represents additional abdication of personal agency and perpetuation of victimhood. And what is the core abdication in this particular case? *Parenting*. The entire discussion orbits around how the school system is performing a job that parents accept the responsibility for in most other cultures,<sup>11,12</sup> but which parents in the U.S. have tended to shirk.<sup>13</sup> So a vitriolic tug-of-war has played out in school board meetings and online forums, with parents screaming at each other, demanding that their (competing) values be honored and prioritized in the public sphere in a black-and-white, universal way. Why? *So that someone else will take on the task they do not want to do themselves, while also demonstrating deference and sensitivity to their values and priorities.* What more potent example could there be of misplaced effort and projecting personal responsibility onto others? And, truthfully, isn't this immature behavior the real nature of the problem...? Isn't this kind of behavior what we ask teenagers to abandon, in order to demonstrate they have become adults? It suggests that the conditioning of Americans into a persistent, externalizing, self-victimizing abdication of agency has toddlerized multiple generations of adult-aged citizens. If more folks simply woke up to their own toddlerized condition, would that help us navigate some of these conflicting perspectives? Maybe even quiet the angry rhetoric a bit?

It is really the same pattern of helpless victimhood which demands that workplaces, institutions, communities, businesses, school campuses and other external environments meet a perceived need – a projection of agency onto others to solve our own challenges and take over our own responsibilities. This habit so saturates American culture that it can be difficult to appreciate the scope involved, but consider the U.S. election process itself as a glaring illustration. Americans generally pay very little attention to the efforts of local governments, state legislatures or national representatives on a day-to-day basis. Almost all awareness is focused on periodic elections, ballot initiatives, and major controversies that arise during the election cycle itself – and even then, U.S. citizens trail other developed countries in even voting at all.<sup>14</sup> With a 56% voter turnout in the 2016 U.S. elections, let's call American participation in their democracy "lukewarm" at best – also recognizing the fact that mid-term and local elections generally experience even lower turnouts. And how does this indicate "abdication of agency?" Well, if people don't pay close and *persistant* attention to issues being voted on in their local and national governments, don't participate in the voting process much, and often don't even know who their government representatives are,<sup>15</sup> *then they simply are not really participating in their own governance.* By restricting their lukewarm interest in democracy to an occasional vote, U.S. citizens have essentially given up their voice and power in the political process. Until, of course, they have an opportunity to vent on social media, or rage in response to a provocative Op-Ed piece, or otherwise whine and complain about consequences

they themselves created by shirking their responsibility to be informed and engaged. It's all part of the same toddler behavior.

Yet even if there were a widespread willingness of Americans to “wake up and grow up,” and self-liberate from their victim identity, what options are available to advocate for the many issues alluded to thus far? How could folks regain meaningful agency in their lives? Let's look at the sex-ed issue. Parents could demand they be provided better educational tools and resources for themselves to introduce complex topics of sexuality, contraception, intimacy and romance to their children – in fact, this is how parents have informed and empowered themselves in other countries.<sup>16</sup> This completely eliminates the imposition of unwanted information on those children whose parents object to comprehensive sex-ed curricula in schools. This would of course mean that some children would not have accurate or helpful information about their own sexuality – or how to prevent pregnancy – and that, as statistics have already shown, those children will be at greater risk for teen pregnancy and births. However, as a consequence, perhaps these young people will then be much more interested in relieving the ignorance of their own kids, so as to avoid the same disadvantages. That is, the young people who had persisting ignorance willfully imposed on them will “wake up and grow up” to the fact that this approach is not helpful. This may just be how generational moral maturity has to happen: the failures of one generation will spark a desire to remedy the problem in the next generation. But in this instance, we will have effectively changed the percentage in the “willing agreement” and “sacrificial-beneficial compromise” columns of the sex-ed matrix to a much higher number by allowing some regional variability.

What about the other self-advocacy issues touched upon earlier? Regarding *emotional safety*: there are plentiful modes of proven therapy available to help people cope with their internal emotional landscapes, and there is no reason that fluid and effortless access to counselling resources shouldn't be available to everyone who needs them. In the U.S. there has actually been a longstanding shortage of mental health professionals,<sup>17</sup> and of course it's not just availability but also cost that can be a major disincentive. Add to this the persisting cross-cultural stigma of “mental illness” and of consulting a therapist, the ever-increasing stresses and complexity of modern life, the widespread availability of substances (alcohol, marijuana, nicotine, herbal supplements, etc.) to “self-medicate” for symptoms of mental illness without any medical intervention or consultation, and the reflexive dispensing of psychoactive pharmaceuticals for every perceived symptom by psychiatrists and physicians without psychiatric training...and, well, it's really no surprise that there is mounting evidence of an exploding mental illness epidemic.<sup>18,19</sup> So the acute and even disabling vulnerability being experienced by many folks – around identity, sexuality, social acceptance, gender, and mental illness – can be very real and deeply felt. But the most effective way to heal and strengthen oneself is not to ask other people to adjust their language, behavior or attitudes. Interior turmoil cannot be ameliorated with external controls. This would be, as a central theme of this essay, an absurdly ineffective way to address one's own emotional state, inspiring a

world where everyone is codependently “walking on eggshells” around everyone else. Instead, what if mental health professionals were as readily available – and as inexpensive – as a weekly alcohol purchase, mild marijuana habit, or daily herbal supplement? And what if therapy itself was considered as “hip” and ordinary as these other approaches? We know that therapy – especially proven and reliable forms like cognitive behavioral therapy (CBT) and dialectical behavioral therapy (DBT) – is a hell of a lot more effective than arbitrary psychoactive drug sampling. So why not – as a culture, as a society, as a political economy – prioritize access and social acceptance of therapy instead...?

Now imagine a transgender person who can easily obtain educational information, healthcare, emotional and psychological support, voice training, gender reassignment surgery and hormonal support, and who could transition at the time of their choosing after careful preparation. Imagine if there were also free retreats for young people, where they could experiment with how they presented themselves, or explore how others responded to them in a supportive environment, or have a safe space to share experiences and feelings around dysphoria? Would removing barriers to such services and support lessen the trauma and social challenges of presenting in a body that does not feel right? Intuitively, you would think so, and – depending on the study cited – between 71% and 90% of those who successfully transition feel much better about their lives, their bodies and their sexuality after transition.<sup>20</sup> But, more importantly in the context of this essay, would a transgender individual with such options and resources feel as strong a need to request or expect others to address them by a preferred pronoun prior to transition? Wouldn't knowing they could present as the gender they experience inside – and having support and relief from isolation and alienation through an empathetic community – be a huge advantage in navigating resistance from society? Perhaps even providing a sense of confidence, security and control that might otherwise be projected outward onto others...? Here again, a self-liberating, self-empowering, self-transforming person may simply have less impetus to abdicate their agency to others by expecting any external conformance to their preferences.

For me personally, the greatest takeaway from my own cultural experiences and cultural sensitivity training, women's studies education and personal interactions with feminism, relationships with people of color and members of the GLBTQ community, a childhood spent in many different ethnic communities, and living and travelling abroad for many years, is this: being conscious of my own white straight male American privilege, and of the really broad diversity of experience that others go through – in particular as non-white, or non-straight, or non-male, or non-Americans – has been an incredibly enriching series of *ahas*. That awareness is invaluable in my appreciation and understanding of other people, other cultures, and myself – and I also realize that this, in itself, is *privileged information*, a consequence of having access to education and experiences that are fairly unique. At the same time, a secondary but also important takeaway has been that I can, should and will heartily resist giving up my own hard-won identity, or changing my spiritual orientation, or altering my appearance and mannerisms, or constantly code-switching my language, or

suppressing or containing my thoughts, emotions and attractions to an unhealthy degree. If I remain willing and open, practicing non-defensive and compassionate listening – that is, really hearing from someone else how my words, attitudes or actions impact them – then that is enough. I am not required to own another person’s suffering as my own, or to respond codependently...just as I would never want to impose my own suffering on others. Is this my white straight male American privilege talking? A bit of it, to be sure. But it is also my *humanity* talking...the same humanity whose heart soars when I hang with gays and lesbians, blacks and Latinos, Germans and Chinese people, musicians and writers, transgendered and queer folk, credentialed intellectuals and blue-collar friends...and get to witness the joy, richness and warmth *of people relaxing and just being themselves*. For me, that is the real celebration of agency: embracing others as they express their own being, even as I am embraced for who I am. *And this is, indeed, a privilege of safety and security in oneself that everyone should share.*

Sadly, there is yet another factor contributing to why Americans don’t shift away from an agency-abdicating, self-victimizing model into a self-aware and self-empowering one...and, unfortunately, this factor plays right into the very dynamics we’ve already explored that keep U.S. consumers in such a toddlerized and helpless state. What follows is an examination of that issue.

## The Final Straw: Managing the Actual Divide Between Left & Right

Despite similar errors in judgement and shared abdication of agency, we cannot ignore some of the apparent philosophical and cultural divisions between Left and Right – especially with regards to methods. As a progressive, when I engage in dialogue with conservative acquaintances and friends, it is inevitable that we surprise ourselves with many shared primary values, but also with how differently we have concluded those values should be actualized. In so many cases, we will find agreement on desired outcomes, but disagree vehemently about the best method to arrive at those outcomes. Even when we both affirm that relying on evidence-based methodology is the best means to solving problems, the quality and quantity of evidence is then most frequently what comes into question. We inevitably have different standards of evidence, different authorities and sources, different historical explanations for events, and different ways of parsing a given set of variables or information as we deliberate over best practices. *In other words, we have entirely different knowledgebases.* And, unfortunately, this is where the voluminous propaganda from neoliberal think tanks, conservative religious organizations, right-leaning news outlets, neoconservative pundits, and far-right conspiracists can overwhelm an otherwise fair-minded, critical-thinking conservative. The pressure to conform to an almost lockstep parallelism of tribal groupthink is truly breathtaking within conservative communities – the center of gravity for highly confined thought-adherence there has been immensely and powerfully concentrated – and so this groupthink has become a black hole that even the most honest, sincere and compassionate conservative cannot easily

escape. Add to this the advent of highly insular conservative media spheres,<sup>21</sup> and the scant possibility for illumination or openness seems utterly vanquished.

And so it is important to call attention to the apparent source of much of that lockstep groupthink, and why a conservative's knowledgebase departs so radically from what are generally considered "settled" facts in nearly all relevant academic and scientific disciplines – and consequently, from most evidence-based solutions. First, what follow are some of the primary tenets that govern right-leaning knowledge frames; you will notice that they often come in complimentary pairs, which may be an important factor in understanding how knowledge that departs from facts is cemented:

**1a.** All academic or government research is hopelessly biased, warping available data to conform to progressive agendas, and thus inherently flawed and inaccurate.

**1b.** Conversely, all neoliberal, libertarian and religious conservative think tank research is substantively less biased, and therefore much more accurate.

**2a.** All government programs are hopelessly inefficient, excessively bureaucratic, and nearly always result in unanticipated consequences.

**2b.** Privatized, corporate efforts to solve the same problem or meet the same need within a competitive market are always much more efficient and responsive, and hardly ever produce unanticipated consequences.

**3a.** Concentrations of wealth, and the consequences of that wealth influencing political and legislative processes, are a healthy feature of a successful market economy, and inherently help address concerns of the Founding Fathers regarding a "mob rule" of democracy (i.e. the Founding Fathers notably allowed only *white men with land* to vote in the Republic's initial configuration).

**3b.** Any attempts to disrupt capital flows (into the coffers of the wealthiest owner-shareholders) – or to strengthen democratic processes and civic institutions to a degree that can effectively counter plutocratic influence – are inherently counterproductive to free market capitalism and the rightful reign of the wealthy.

**4a.** Growth-dependent capitalism is the greatest engine of progress that has ever existed on the face of planet Earth, and anything that interferes with market fundamentalism or the privatization and commodification of all production and services should be vehemently opposed.

**4b.** All socialism (even common sense public programs and services that have no realistic profit incentive and can more effectively be provided on a governmental scale) must be aggressively countered at every turn, and

even made to appear as though such efforts are Big Bad Federal Overreach taking away personal freedoms, coercing compliance with the threat of State violence, and robbing hard-working Americans through the wanton theft of taxes.

**5a.** Traditional Judeo-Christian values – and particularly those that source primarily in white, Anglo European culture – around family structure, work ethics, and heteronormative gender roles, have been most responsible for creating a strong, thriving, exceptional America.

**5b.** Liberal ideas regarding gender fluidity and more open sexuality, women’s equal rights and roles, inclusion of minorities and expanding their rights and status in society, social safety nets, worker’s rights and protections, and a host of other social justice and progressive cultural considerations are therefore responsible for ruining American exceptionalism, and continue to erode America’s potential for greatness.

**6a.** The propagation of corrosive liberal priorities, worldviews and knowledge has been accomplished mainly through entertainment media, mass media news outlets, public education, and the funding of scientific research on topics that benefit a progressive agenda.

**6b.** Therefore, the most effective ways to combat that corrosive influence are to a) establish mass media outlets that conform all information and public discourse to a conservative worldview; b) attack, discredit and defund all scientific research that could impede a conservative agenda or contradict a conservative worldview; and c) aggressively privatize education so that more control can be exercised over maintaining conservative curricula that reinforce right-leaning belief systems.

**7a.** Commercialistic consumerism – along with its attendant economic materialism and militant individualism – are necessary, even vaunted components of modern capitalistic society. They sustain growth-dependent capitalism through innovation and consumer demand, and are perfectly acceptable components of a thriving Western culture.

**7b.** To perpetuate commercialistic consumerism, it is also perfectly acceptable to sell products and services that consumers don’t need – that is, to create artificial demand in a steady stream of variations and innovations – even if this requires the use of deceptive manipulation, coercion, or the incurring of massive personal debt to attract new consumers; or, indeed, utilizes exploitation, risks to consumers, excessive pollution or exhaustion of natural resources to create these new products. After all, *caveat emptor* is the only ethical standard of commercialistic consumerism, and the juggernaut of industrialized growth must not be slowed or stalled.

**8a.** Winning elections – and thereby shaping public policy, national and local legislation, the ideology of the Supreme Court, looser regulations for business, and enacting both lower tax rates for the wealthy and higher subsidies for corporations – is more important than honoring democratic processes or supporting enduring civic institutions.

**8b.** Therefore, *nothing is out-of-bounds* while achieve electoral wins, including gerrymandering, voter disenfranchisement, conspiracies about fraudulent votes, disrupting vote counts, seeking remedy in the courts for unwanted outcomes, high-profile smear campaigns, hacking voting machines, spreading false news in social media, engineering what I've described as "[virtual causality](#)" to constrain all information to a chosen narrative, and enlisting the aid of foreign governments to win elections.

There are many more core beliefs and value judgements on the Right, but these are some of the fundamentals. And, for many decades now, most of these agenda items have been doggedly pursued and propagated. To their credit, conservatives have been wildly successful in promoting their narrative and priorities – and degrading or defeating progressive policies, programs and politics that would otherwise rein in some of the more destructive elements. There is little more persuasive proof of this success than the fact that Republican voters nationwide are in the minority, but Republican candidates nevertheless hold majorities in the state and federal legislatures...as well as the White House of course. It's a truly stunning victory.

But an additional challenge for the Right, in the context of this paper, is that many of the assumptions that drive Right-wing politics and policy are factually and decisively false. Of the 16 points listed above, only a handful accurately describe or explain a given sociopolitical dynamic or economic reality, address the real causal factors for the challenges they frame, or are really as successful or sustainable as conservatives believe (I discuss these in more detail among my other writings: see [Neoliberalism](#), [The Case Against Capitalism](#), [Reframing Profit](#), [Integral Liberty](#)). This means that, over and above the issue of abdicated agency, the Right is actively, willfully and *very effectively* distorting available evidence to conform to its worldview. This makes finding common ground extremely difficult, because these distortions have become extreme enough that, eventually, it has been impossible to reconcile them with fairly objective, settled facts. Listening to any of the Right-wing standard bearers in the U.S. is to hear constantly repeated irrational conflations, invented accusations, cognitive errors and logical fallacies, irrational skepticism, revisionist histories, and unapologetically bald-faced lies. And, consequently, there is no sure way of reaching a compromise position when the ground underfoot is constantly shifting according to the latest talk show whims, sensational journalism, biased research, or baseless Presidential tweets.

Further, in a context of abdicated agency and self-victimization, Republican rank-and-file have been completely hoodwinked into perpetuating and supporting the tenets of this misinformed ideology, an ideology that has ultimately had a disastrous impact on their lives – and indeed the lives of everyone and everything else on our planet. Particularly in the case of commercialistic consumerism, the ability to effectively address the greatest demands of our times is almost entirely undermined by this ideology. Take the Republican approach to healthcare, inclusive of the mental health treatment crisis described in the last section. Republicans have repeatedly attempted to craft a healthcare solution grounded in the principles of growth-dependent capitalism. But they simply haven't been able to offer any concrete solutions, preferring instead to rail against Obamacare as if it were a socialistic conspiracy (most of its major elements were initially proposed by the conservative Heritage Foundation, just to be clear, who had already taken credit for the RomneyCare in Massachusetts upon which Obamacare was modeled). And why can't Republicans come up with a solution? *Because they refuse to accept the reality that the profit motive and markets do not solve all societal problems efficiently.* This would undermine many of the Right's core tenets.

But medicine in the U.S. is a classic example of what happens when complex, high-cost systems attempt to capitalize on suffering – in this case, to make money off of sick people. Such objectives always create cascading perverse incentives that inflate healthcare costs, as well as perpetuating illnesses by mainly treating symptoms rather than causes. Why would any for-profit company invest in short-term, low-cost, low-profit preventative treatments that could eliminate chronic illnesses altogether, when they can instead create high-profit, symptom-alleviating, long-term treatments for chronic illnesses that can persist for a lifetime? Add to this an intermediary administrative system that is also for-profit (i.e. insurance companies), and of course you end up with skyrocketing healthcare costs. It's a no-brainer. But market fundamentalist conservatives *cannot admit this* without giving up some of their core ideological ideals. So Obamacare has not yet been repealed...just horribly crippled by Republican legislatures, so that it will appear to have failed in its objectives (to wit, most Democratic states with their own healthcare exchanges and Obamacare-supportive legislatures have lower premium increases, and many more plans available, than Republican states who have resisted participation, do not have their own exchanges, refused Medicare expansion for the poor, and worked hard to sabotage Obamacare at every turn). The situation is a powerful illustration of what I describe as “causal forcing” (see [virtual causality](#)).

In other words, because of the Right's foundational commitment to commercialistic consumerism and growth-dependent capitalism, market fundamentalists cannot allow alternative solutions to flourish – even though there is ample evidence of such flourishing in other advanced, more socialized economies (universal healthcare works quite well in many developed countries...but again, such factual evidence has not been allowed into the U.S. debate). And, to reiterate, maintaining child-like dependence from consumers encourages them to continue to externalize and abdicate their agency and perceive themselves to be helpless victims. Even if this means becoming toddlerized, unhealthy,

misinformed, angry addicts...as long as conspicuous consumption can maintain its breathtaking pace, Republicans seem content to let markets dictate results that are extraordinarily antagonistic to human flourishing.

Healthcare is of course just one example, but the same ideological flaws create similar, cascading impacts across many concerns of modern society. Gun control legislation impacts the profits of gun manufacturers, so their lobbyists spend millions ensuring gun control bills don't pass, and that gun control advocates don't get elected. For-profit prisons lobby against criminal justice reform. Insurance companies lobby against universal healthcare. Municipal minimum wage laws are defeated – despite support from local businesses, Chambers of Commerce, communities, and elected officials – because they threaten the profits of large corporations operating in those towns. A primary purpose of organizations like the American Legislative Exchange Council or the Republican Attorneys General Association is to make sure that Republican AGs and legislatures remain in rigid compliance with the overarching objectives of commercialistic corporatocracy. It's really an astonishingly transparent self-serving agenda. And of course many Democrats have often played a similar game in order to fund their campaigns as well – while, in certain instances, the grass roots support of candidates like Bernie Sanders or Barack Obama have intermittently overwhelmed traditional corporate backing, illustrating the potential power of an awakened electorate.

It would appear, therefore, that these extraordinary cognitive distortions and self-serving corporate agendas must somehow be relinquished by the Right in order for any Left/Right dialogue move forward, and complex problems to actually be solved. As alluded to earlier, we will likely need to substantially abandon Left vs. Right dualism in order to move forward at all. The lack of willingness to do this, or to examine truth itself, is a byproduct of a deeper disinterest driven by an essentially broken, outdated ideology full of self-defeating contradictions. However, is it possible that fully restoring a sense of personal and collective agency to Republican voters will help them find their way to more accurate truths? To arrive at more balanced and verifiable valuations? To explore evidence-based approaches that will themselves erode the false narratives, assumptions, propaganda and spin that have so egregiously annihilated a sustainable way forward...? This brings us back to the issue of waking up, of seeing how our agency has been relinquished, and how our self-victimization has paralyzed our individual and collective will.

Perhaps this is a chicken-and-egg sort of question. Or perhaps both personal agency, flawed emotional reasoning, and a more sophisticated navigation and understanding of knowledge must all be healed simultaneously – across all of the sociopolitical spectrum. If we begin to pry apart the falsehoods from the victimhood, while at the same time restoring agency, self-reliance and critical thinking skills, isn't it possible that everyone involved will be able to self-liberate, without further interference? I think that is my hope, my aim in writing this paper, and my motivation for offering Level 7 solutions.

## Summary of Proposed Evolution

To conclude, then, here is a summary bullet-list of concerns that could be concurrently addressed for greatest benefit:

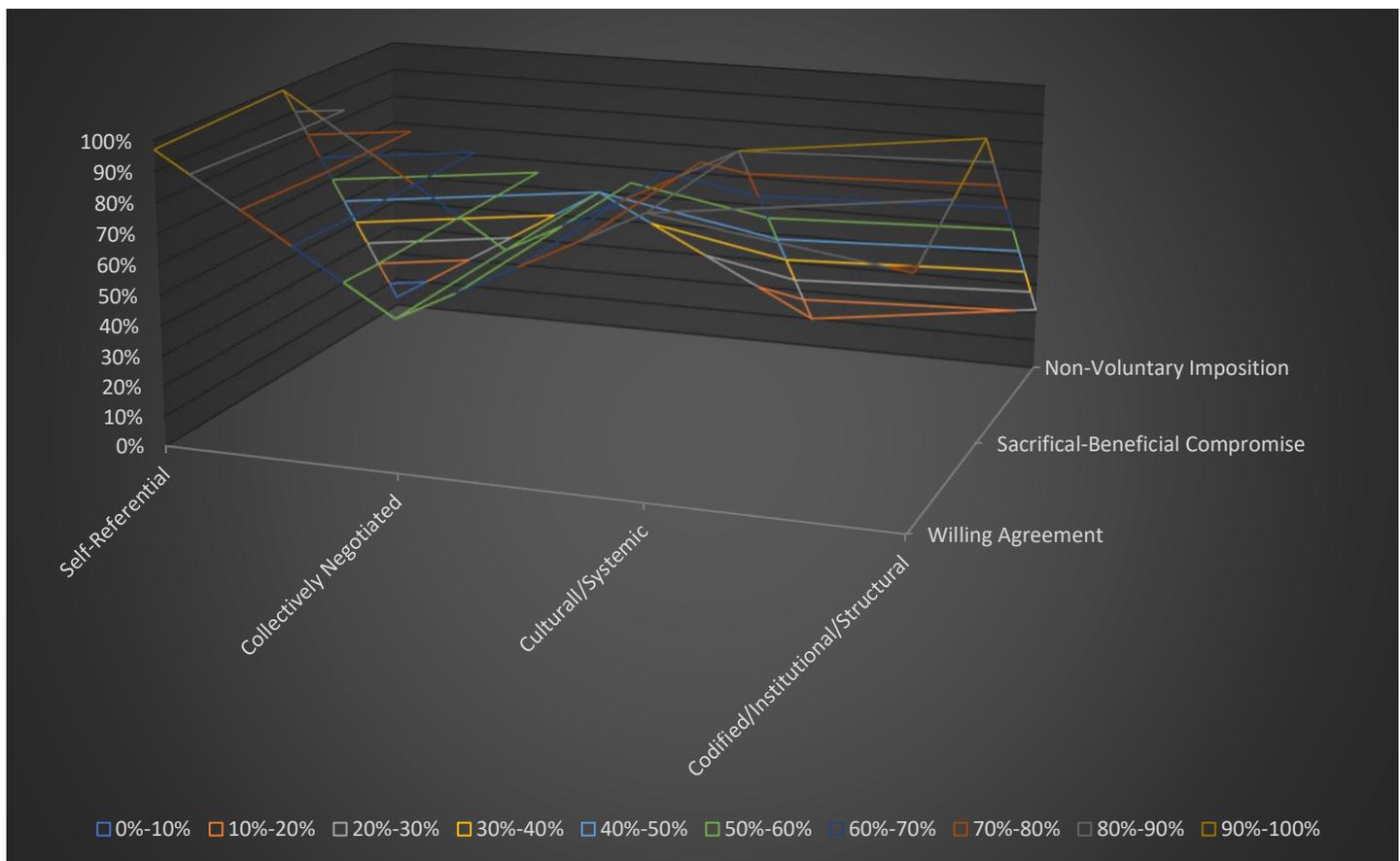
1. Reversing the all-encompassing trend of debilitating abdication of agency and adoption of a victim-identity, thereby restoring collective deliberation and self-determination.
2. Encouraging self-reliance and self-advocacy regarding responsibility for our well-being and flourishing, while at the same time providing frictionless access to resources for this adventure.
3. Synchronizing and harmonizing accurate knowledge methodologies and sources – particularly about evidence-based solutions – across all political ideologies and belief systems.
4. Eliminating the influence of corporate wealth and self-serving agendas on both the political process, and on news and information streams.
5. Relaxing commercialistic consumerism and market-based solutions as a de facto standard for all problem solving, recognizing that there are other excellent avenues to solutions that do not involve the profit motive.
6. Evaluating and collecting data according to modes of personal-social agency, so that all collective decisions, and codification of those decisions in law, can be understood in that context.
7. Encouraging critical, self-reflective thinking, along with vigorous dialogue among competing perspectives.
8. Ultimately, aiming to attenuate Left/Right distinctions in analysis, language and dialogue around complex issues, and instead plotting them within a continuum of more nuanced and descriptive variables.

How can we effectively arrive at such solutions and sustain them over time? That likely needs to be a separate, broader discussion, and is what some of the proposed steps toward a Level-7 political economy seek to address. You can read about those steps here: [L7 Action Guide](#). I also offer a brief sampling of conceptual pilots in the Afterthoughts section of this essay. For now, however, we have cobbled together a starting point – a straightforward groundwork – for assessing our political discourse and examining some of the flaws in U.S. politics and culture. Even if readers don't agree with this approach, my hope is that at least some of the considerations here can be reflected upon, and that we can all proceed together with a modicum less denial.

## Afterthoughts – The Willful Devil in the Missing Details

First, it seems reasonable that the metrics for the modes of agency should be more carefully quantified in ongoing research for many issues, and across multiple disciplines. This could be quite useful when legislating new laws or evaluating existing ones, in developing public policy and measuring its impact, in piloting new systems, tuning up existing institutions, and so forth. There can be a way forward using evidence-based approaches once ideological bias has been relaxed. Below is a representation of the speculative data in the murder matrix example. Wouldn't it be great to have some *actual* data for this...?

### ***“Murder is Wrong” (Spectrum of Personal-Social Agency)***



Second, it might be useful to return to some of the more granular contexts following the “murder matrix,” ruminate over some evidenced-based solutions, and consider how these might play out within both current landscape – and then in the target conditions proposed in the summary of evolution.

**For the gang member in a poor neighborhood**, a fear of incarceration cannot mitigate the much more immediate fear of personal retaliation or the targeting of family members. The viewpoint that more vigorous policing or harsher punishments for certain communities will lead to attenuating crime levels in those communities is simply not supported by any historical evidence. The cultural dynamics involved override the assumptions made by the escalating rule of law. Once again, it may *feel comforting* to ratchet up stricter law enforcement, but it just isn't very effective. So what has been effective? Most evidence collected from various studies<sup>22,23</sup> and experiments in the U.S. and around the world show that there is a fairly straightforward formula for reducing risk factors for criminal gang activity and violence:

1. Keep youth in school: end harsh punitive measures for kids acting out in the classroom, and instead train staff and teachers how to deescalate conflict and manage disruptive behavior.
2. Invite parents directly to work with trained resources on strengthening family relationships and stability, providing therapy resources and financial resources for families in crisis.
3. Provide frictionless access to mental health support and substance misuse counselling and prevention resources.
4. Initiate community programs for young men that engage them productively in society, and offer them a) an alternative route out of poverty, b) a means of engaging with other young men and older male mentors in socially constructive ways, and c) supervised access to positive environments and activities after school and at night.
5. Combine education about gang intervention, risk factors and resistance strategies within all of the aforementioned strategies.

Those are some of the well-known basics, but I would go further to address some of the deeper structural issues as well:

6. Encourage intercultural reconciliation that erodes the prejudices and perceived divides between different classes and ethnic groups, and do so across many different disciplines and institutions: in education, housing policies, urban development, community development, workplaces, etc.
7. Legalize illicit drugs and regulate them. Remove the profit motive incentive from the grip of organized crime, and shift it into legal business activity.
8. Make gun ownership and acquisition much more difficult by regulating the supply side of the equation (see next example regarding *home defense*).
9. Reform the criminal justice system – laws, law enforcement, and incarceration itself – to end the disproportionate incarceration of poor minorities, and the criminalization of entire generations by non-rehabilitative for-profit prisons.

Further, such efforts do need to be effectively universal in scope – simply changing some variables locally isn't likely to have the desired effect. For example, marijuana has been legalized in some U.S. states, but remains illegal in other states. This means that legal growers now make a fraction of the profit that growers who are still selling product illegally make, which effectively punishes the law-abiding business owners. Access to guns likewise has to be more uniformly regulated – one reason why gun control measures were so successful in reducing gun violence in Australia was because they were national rather than local.<sup>24</sup> And, not surprisingly, once the measures became less uniform over time in Australia, the risks began to increase again, until another mass shooting – the first in over twenty years – did happen again.<sup>25,26</sup> Regardless, these are not controversial observations: some combination of the programs above will undoubtedly be effective in reducing drug-related violence, gun violence, and gang violence.

So where is the challenge? The challenge is that folks on both the Left and the Right are reticent to commit to any or all of these steps, though sometimes for what appear on the surface to be different reasons. Below the surface, however, is that pattern alluded to earlier: knee-jerk black-and-white reasoning that veers away from proven solutions into comforting binary tropes. The Right won't tolerate any gun control. The Left seems to waffle on criminal justice reform. Both the Right and the Left invoke NIMBY arguments for community at-risk youth programs, intercultural activities, racial integration, or rehabilitative facilities that might negatively impact their property values, or are perceived to have an adverse influence their children. And although there has been recent positive movement regarding drug legalization among both groups, the ongoing difficulty of passing effective legalization laws has evidenced that this concept is hard to swallow for many on both the Left and the Right – especially in light of potential conflict with federal drug laws (that uniformity issue again). So there are folks on both sides who desire a particular outcome (i.e. less criminal gang activity, illegal drug activity, and lethal violence), but who simply do not wish to let go of their cherished ideals of “how things should be” in order to make it happen.

Adding to this situation, there is of course a political dynamic where elected officials are clearly more afraid of losing the next election and/or support from a few wealthy donors than of endangering democracy and the Republic itself, and where the outcome of elections are determined by massive propaganda campaigns funded and coordinated by, once again, a relatively small number of wealthy donors. The central theme being that huge amounts of money are called upon to shape the outcomes of every vote, and the sources of money usually coincide with whose profits, wealth or influence will be most impacted by a shift in public policy. And all of this routinely results in louder polemics, greater polarization, and more black-and-white positions on every topic under consideration...in order to package, sell and spin *every political issue* to garner the required support. It's a lowest-common-denominator marketing campaign for morality itself, with the predictable consequence being that voters and candidates alike begin acting more like willful children – or, in some instances, unreasoning animals – than thoughtful participants in democracy.

But let's return to another example: **the person who wants to defend their family during a home invasion.** Let's say Bob enjoys the privilege of owning a gun. And let's also assume that his reasons for this have nothing to do with Second Amendment rights. In this instance, Bob primary justification is a strong protective urge regarding his family. Crime rates have increased in his neighborhood, and funding and staffing levels for local law enforcement have dropped precipitously because of tax cuts, leading to slower response times. Bob sincerely believes that he and his gun may be the only thing between his family and violent criminals. But Bob has never registered his gun with local authorities. In fact, until a recent popular initiative (backed by Left-leaning folks) changed the laws regarding this, there was no requirement to register his gun. Then one night it actually happens: Bob's home is broken into, and he shoots the intruder. And guess what? Bob goes to jail for unlawful possession of a firearm. So, in this case, Left-leaning zeal for gun control has criminalized a formerly lawful act of self-defense, by someone who had previously had lawful ownership of a firearm.

But were Bob's actions willfully unlawful? Or did he simply feel the new law overreached into the privacy of his home, requiring him to divulge his gun ownership in a public way? Once again, a knee-jerk, black-and-white approach to solving a complex issue has resulted in unintended – and/or ineffective – consequences. So how about a different approach? Instead of penalizing gun owners who are not criminals, how about trying these ideas out, remembering the lessons of Australia's success story:

1. As there is already a higher concentration of firearms in the U.S. than anywhere else in the world<sup>27</sup> – in fact there are likely more guns than people in the United States<sup>28</sup> – how about banning the production and importation of firearms for domestic use for a period of five years.
2. At the same time, initiate a nation-wide buyback program like the one in Australia that destroys the acquired firearms, and leave that buyback in place for the same five-year period.
3. Likewise, when any weapons are confiscated by police for being used in a criminal act, those too would be destroyed.
4. Initiate a universal background check that keeps criminals, individuals with a restraining order or history of violence, and mentally unstable persons from acquiring firearms.
5. Promote innovation of non-lethal defense technologies that can replace guns altogether.
6. Otherwise, allow everyone who has a gun to keep it if they want, to buy ammunition, to shoot for recreation, and to enjoy owning a gun for the protection of their family.

As you can see, such proposals are not incompatible with the proposals outlined in the previous gang violence issue. In fact, if these proposals function like similar ones have in other parts of the world, then their outcome will ultimately be

that Bob no longer feels he must own a firearm to defend his family. Why? Well, because, in conjunction with criminal gang activity mitigation, drug legalization, and gun violence reduction, Bob will have less violent crime in his neighborhood, there will be fewer gun-related deaths across all sectors of society, and non-lethal options for self-defense will become widely available. But would such proposals be acceptable to both the Left and the Right ends of the political spectrum? Not in the current climate, no. The knee-jerk reactivity of the Left is powerfully triggered by anything that smacks of firearm permissiveness, and the Right is likewise triggered by anything that feels like a firearm restriction. And yet, just as with gang violence, this is an arena of collective agreement and constructive discourse that could – if “how things should be” ideals can be set aside for the briefest of moments – result in pragmatic compromise.

Here again, however, there is a lot of money involved (politically) in keeping a steady stream of guns available for the American public, and keeping gun manufacturers in business as the military shifts away from boots-on-the-ground, firearm-centric operations to much more sophisticated forms of warfare. The writing has been on the wall for gun makers for many years in this regard. And so much of the gun makers’ profits are spent garnering fear among American consumers either that their guns will soon be taken away, or that escalating racial tensions would soon be visited upon their communities, or that they would soon need to defend themselves from a violent Leftist revolution...and so on.<sup>29,30</sup> So proposals like the ones just enumerated will not be popular with gun manufacturers – just like the proposals for criminal justice reform are not popular with private prisons, climate science is not popular with the oil and gas industry, regulation of bee-killing pesticides is not at all popular with the producers of those pesticides, a universal public healthcare option is not popular with health insurance companies, and so on *ad nauseum*. The extraordinary propaganda from such sources is relentless, voluminous, pervasive...and effective. And so we again arrive at a major causal actor in the routine distortions of political discourse and attempts to find common ground: concerns about corporate profits, and the extraordinary influence of concentrated wealth on the U.S. political system. It seems obvious that insulating politics from such wealth concentrations is incredibly important – something that the Supreme Court’s recent rulings regarding campaign contributions have utterly failed to recognize.

Which leads us to assessing the practicality of the gang violence and gun laws proposals in the wake of a true awakening of U.S. citizens. If Americans are thinking clearly, are not being hoodwinked and manipulated by plutocrats, have taken responsibility for their own well-being and education about the facts from credible sources, decide to enter deliberations and pilot efforts with an open mind, commit to resisting the urge to abdicate their own agency and become helpless victims, and take a sincere and regular interest in their political obligations to civil society...well, what’s to stop these ideas from bearing fruit? Even if that fruit is “Hey, that T.Collins Logan is a real idiot, and has no idea how to fix these problems!” it will still have served the helpful function of excluding an idiot’s insights from future deliberations.

Please note: some footnotes are duplicated to simplify shifting number sequences of references in the text.

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## The Importance of Fine Arts

With respect to activism, [socially engaged art](#) can have a significant impact not only in raising awareness around certain issues, but also engaging community in participatory solutions (Nato Thompson has documented many such efforts).

Artistic self-expression, participation and appreciation is also an effective way to nourish the Playful Heart dimension of being within the context of Integral Lifework. But I also believe art has a much more significant role in our spiritual life and cultural evolution, as hinted at by many writers, thinkers and creatives over the centuries.

(Excerpted from [Art, Spirit & Consciousness](#))

I would posit there is *a certain something* offered by creative genius that penetrates our senses to the very core of our being, and shapes our personal evolution in unexpected ways. In *Concerning the Spiritual in Art*, Wassily Kandinsky offers a specific term for this impact. He calls it "Stimmung," the power of art to capture the essence of something, which in turn evokes a strong response in those who encounter the art. Kandinsky explains that when art has Stimmung, it offers "the

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artistic divination” of the subject’s inner spirit. He further suggests that, when people are open to it, Stimmung can have transformative effects – stimulating beauty, harmonizing emotions, feeding the spirit and elevating the soul. I suspect this is why the call to artistic expression, that “inner need” that compels artists to create, is so strongly felt. It is our soul communicating the intuited essence of something with other souls, a fundamental drive to connect our innermost Self with the Universe and with other motes of consciousness, a yearning for unity and transcendence.

Integral thinkers who have attempted to map artistic expression to consciousness and spirituality – or articulate the relationship between them in some way – have come to some interesting conclusions. Sri Aurobindo frequently alluded to art in his writings as a revelation and expression of the soul and the essence of things, and as a means through which humanity can encourage its own spiritual evolution. As he writes in *The National Value of Art*: “Between them music, art and poetry are a perfect education for the soul; they make and keep its movements purified, self-controlled, deep and harmonious. These, therefore, are agents which cannot be profitably neglected by humanity on its onward march....” And later in the same, “A little of this immortal nectar poured into a man’s heart transfigures life and action. The whole flood of it pouring in would lift mankind to God. This too Art can seize on and suggest to the human soul, aiding it in its stormy and toilsome pilgrimage.” For Aurobindo, who himself wrote poetry, creative expression had a critical role in both seeking and understanding the spiritual truths within, and in shaping our spiritual evolution.

Jean Gebser also saw art as revealing the secret, spiritual structure of things. He observed in *The Ever Present Origin* how artists of his era were breaking out of cages of dualistic, rationalistic thought and introducing a more unitive sense of being into their work, in particular by freeing themselves from linear concepts of time. For Gebser, this freedom from rigid constructs, this “breaking of the at-once” into artistic expression, demonstrated an emerging integral consciousness; it confirmed that a latent spiritual reality was working in and through human consciousness to help us transcend self-limiting perspectives. In this way, Gebser asserted that art can render our soul, our spiritual origin, increasingly transparent to us. As Gebser writes regarding Cézanne in *The Invisible Origin (Journal of Conscious Evolution)*: “This participation in the infinite that contains and irradiates everything like the origin – if not identical with it – is genuine nearness to the origin: the harmony of human and universe, the overcoming of the dualism of the creator, the painter, and the created, the picture.”

In *Meetings with Remarkable Men*, G.I.Gurdjieff makes an interesting observation about spiritual teachers. To paraphrase, he says that someone’s understanding and integration of any spiritual teaching is dependent on the teacher’s maturity and development – it is the teacher’s mastery of spiritually being that transmits the most important content, not their words. I think this applies equally to art, in that the impact in both a spiritual and aesthetic sense is influenced by the skill and spiritual depth of the artist, and a more profound resonance can be achieved when the artist is particularly gifted and allows the artistic muse to possess them completely. Even so, this does not mean that the artists themselves must of necessity be spiritually evolved...just potent vessels of transmission. In fact it seems quite rare to find someone who is both spiritually and artistically advanced. Perhaps we can find hints of this in the music of Hildegard of Bingen, the poetry of Hafiz, the paintings of Fugai Ekun and the works of a handful of others. And at the other end of the spectrum, there are certainly spiritually evolved folks who have little artistic skill or interest. So, on the whole, there seems little correlation between personal spiritual evolution and artistic genius, which again reinforces the idea that great works of art that resonate with the depths of our soul – and even inspire us to grow and change – do not of necessity issue from spiritual masters. Consider a work of art that inculcates a more compassionate worldview and challenges us to change – a book like

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Harper Lee's *To Kill a Mockingbird*, for example. Or art that evokes a sense of awe and wonder about the Universe and its many possible forms of consciousness, such as Stanley Kubrick's *2001: A Space Odyssey*. Or art that sends our heart soaring with intimate longing, such as Samuel Barber's *Adagio for Strings*. Were Barber, Kubrick and Lee especially evolved or enlightened human beings? Perhaps in some respects they were, but if they are really like diviners and soothsayers, *they didn't need to be*. They were simply channeling something that was both an essential spark of their humanity and a universal spiritual truth.

Among the many who have speculated on the intersection of art, spirit and consciousness, a few come to mind who offer some helpful opinions. Hegel expounded frequently on the topic, and from his lectures in Jena we have these insights:

"Art, in its truth, is closer to religion – the elevation of the world of art into the unity of the Absolute Spirit. In the world of art each individual entity gains a free life of its own through beauty. Yet the truth of individual spirits is in their being one element in the movement of the whole. Absolute spirit knowing itself as absolute spirit: this absolute spirit is itself the content of art, which is only the self-production of itself, as self-conscious life reflected in itself. In art, this individual self, this one, is only a particular self, the artist – but the enjoyment on the part of others is the selfless universal intuition (*Anschauung*) of beauty."

In Schopenhauer's *The World as Will and Idea* (*Die Welt als Wille und Vorstellung* as translated by R. B. Haldane and J. Kemp), he has much to say on the topic as well:

"Genius, then, consists, according to our explanation, in the capacity for knowing, independently of the principle of sufficient reason, not individual things, which have their existence only in their relations, but the Ideas of such things, and of being oneself the correlative of the Idea, and thus no longer an individual, but the pure subject of knowledge. Yet this faculty must exist in all men in a smaller and different degree; for if not, they would be just as incapable of enjoying works of art as of producing them; they would have no susceptibility for the beautiful or the sublime; indeed, these words could have no meaning for them. We must therefore assume that there exists in all men this power of knowing the Ideas in things, and consequently of transcending their personality for the moment, unless indeed there are some men who are capable of no aesthetic pleasure at all. The man of genius excels ordinary men only by possessing this kind of knowledge in a far higher degree and more continuously. Thus, while under its influence he retains the presence of mind which is necessary to enable him to repeat in a voluntary and intentional work what he has learned in this manner; and this repetition is the work of art. Through this he communicates to others the Idea he has grasped. This Idea remains unchanged and the same, so that aesthetic pleasure is one and the same whether it is called forth by a work of art or directly by the contemplation of nature and life. The work of art is only a means of facilitating the knowledge in which this pleasure consists. That the Idea comes to us more easily from the work of art than directly from nature and the real world, arises from the fact that the artist, who knew only the Idea, no longer the actual, has reproduced in his work the pure Idea, has abstracted it from the actual, omitting all disturbing accidents. The artist lets us see the world through his eyes. That he has these eyes, that he knows the inner nature of things apart from all their relations, is the gift of genius, is inborn; but that he is able to lend us this gift, to let us see with his eyes, is acquired, and is the technical side of art."

Who else might we include? Too many to quote, really. But here are a few more, including some well-known artists and thinkers:

"Art is not an end in itself. It introduces the soul into a higher spiritual order, which it expresses and in some sense explains." –

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Thomas Merton, from *No Man is an Island*

“Every man who steep himself in the spiritual possibilities of his art is a valuable helper in the building of the spiritual pyramid which will some day reach to heaven.” – Wassily Kandinsky, from *Concerning the Spiritual in Art*

“I don't know whether I believe in God or not. I think, really, I'm some sort of Buddhist. But the essential thing is to put oneself in a frame of mind which is close to that of prayer.” – Henri Matisse

“It's not about what it is made of nor how it is made, it's about inspiration of function that renders and touches the soul, which makes craft 'art'. Craft is based on functionality, and spirituality is the basis of art.” – Jacques Vesery, from his artist statement.

“We believe that the *teyotl* or wave of life is at the core of imagination and the creative impulse, the driving force in nature and human evolution, the seed of eternal transformation.” – Juan Javier Pescador & Gabrielle Pescador, from their artist statement.

To conclude, then, I believe it is possible to subjectively confirm artistic inspiration as spiritual in nature, just as many artists, mystics and philosophers report it to be. We can also say that from this ineffable spiritual font – whether via artistic muse or mystical peak experience – many diverse and wonderful expressions have manifested spirit as created reality. And when we encounter such art, these emanations evoke a connection between emotion and intellect, between a felt sense of intuition and conceptual insight, and between soul and mind. Within these communications, different states and stages of perception-cognition flow into and out of existence, inviting art to participate in consciousness, and consciousness to participate in art. So from one perspective spirit energizes art, which then energizes consciousness. And from another perspective consciousness energizes spirit, which then energizes art. And so on in countless entanglements. And when we approach the artistic process in this way, we begin to touch upon concepts of spiritual evolution found in Plato, Plotinus, Aurobindo, Teilhard de Chardin, Arthur M. Young and others, concepts which help us define all of existence as a spiritual work-of-art in progress. Within this milieu, what I have proposed would make artists important and perhaps essential agents in the evolution of humanity and the Universe itself. So, not only priests and priestesses of the mystic impulse as I once described them to be, but keepers of an eternal flame that draws us ever-onward through continuous transformations of being. Perhaps this is a hefty burden to place upon artists, but it can also be embraced as a sacred privilege.



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## Linking Micro & Macro Development Programs

While it is fairly easy (and common) for positive results of development aid to be measured at the community or organizational level (micro), it is much less common (and much more difficult) to measure the positive impact in terms of GDP, overall wealth production and distribution (per capita income, etc.), or fundamental economic or other improvements to the broader target culture (macro level). The argument generally goes something like this: if there aren't adequate trade, fiscal, monetary and banking stability (and lack of corruption) already in place, then developmental aid is just "pouring more water into a broken cup." Right now it seems as though there is contradictory data about the best approach to development aid - depending on what metrics and analysis methodologies are used - and ongoing doubt about efficacy of existing approaches. Some data analysis shows a consistent positive correlation between aid and growth over an extended period of time, and other approaches to the same data are less confident of any correlation. However, at the micro and meso levels there is a sound consensus about how to measure positive outcomes. Suffice it to say that, although this seems to still be an unresolved question in some circles, the studies that utilize the most variables over the longest

periods generally confirm that there may not be a micro-macro paradox at all.

Here's my take on this... Suppose you have to aid programs. One targets providing cell phones to rural entrepreneurs in a specific region (micro), and the other targets developing wireless infrastructure across an entire country (macro). The benefits of the micro program are easy to measure, right? The entrepreneurs either flourish because they now have cell phones, or they don't, and this will become evident in a relatively short time. But how do we measure the constructive benefits of the macro program? It may be several years - perhaps decades - before the national wireless network is fully utilized. Also, there is more opportunity for corruption, cutting corners, lack of performance accountability and other interference for the macro program, so the larger investment may seem riskier and less sound. But what if we then fold the micro program into the macro program, and show that (obviously) the successful micro program won't work in certain areas of the country unless the macro program is funded as well? I think this is the sort of metaphorical linkage that could help doubters understand why there may sometimes *appear* to be a micro-macro paradox, when actually there isn't. It also may be the key to driving larger investments, using the pilot principle, that deliberately link micro and macro development projects as they facilitate targeted Level 7 outcomes.



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