The End of Money and the Future of Civilization
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Chapter Eighteen

Organizational Forms and Structures for Local Self-Determination and Complementary Exchange

A radical approach is needed to invert the power pyramid of the top-down global system—by empowering local communities from the bottom up.[1]
–Richard Flyer

It is a hopeful sign that there are increasing grassroots and entrepreneurial efforts springing up to address the various problems that are now becoming acute. These efforts include broad-based community coalitions that are focused on addressing all aspects of sustainability along with social justice, economic equity, and personal freedom. "Community building" and "relocalization" have become rallying cries—but in western societies at least, the social fabric has become a flimsy mesh, and we remain isolated from one another, often not knowing even our closest neighbors.

Humans have demonstrated a great capacity for brutal and violent conflict based on competing values, attitudes, and beliefs that constitute our diverse cultures, ideologies, and religions—but we have also exhibited tremendous capacity for organization, cooperation, compassion, and mutual support. The survival and advancement of civilization will depend upon our ability to transcend religious, ideological, and cultural differences; to recognize that we all have fundamental interests in common; and to organize and coordinate our actions to achieve common goals. While competition has a role to play in urging each of us to higher levels of realization, science shows us that life thrives more on cooperation than on competition. It is from nature that we must take our cue.[2]

There are some things that can be accomplished individually, but within the context of the complex global economy, the effectiveness of isolated individual action is greatly limited. It will require organized, coordinated, collective action to save civilization. It may seem paradoxical to some, but that kind of action is more likely to come from the collective intelligence and wisdom of ordinary people dealing with their own problems in small groups, in their own local communities, than from the knowledge and impulses of a few self-appointed political and business "leaders" who have somehow managed to climb to the top of the heap in the global game of Monopoly.[3]

Toward Economic Independence

The key to personal and community survival is to gain a substantial degree of economic independence and to provide for our material needs in ways that are community controlled and sustainable over the long run.

What is required is organized action that:

- Enhances community solidarity—socially, economically, and politically,
- Restores every aspect of "the commons," including the "credit commons,"
- Supports the localization of economic activity, including local production for local distribution and consumption, local sourcing of inputs, and local investment of local savings and resources, and

- Provides a significant measure of independence from the structures and mechanisms of conventional money, banking, and finance.

The first three cannot be effectively achieved without accomplishing the fourth, and all of this implies local organization at a relatively small "human scale." This must be mainly a transcendent, bottom-up process driven by self-empowerment and personal responsibility. This chapter outlines organizational strategies and structures that might be employed and briefly describes a few actual cases from which necessary lessons might be learned.

The "Banjar" and the Balinese Governance Structure[4]

The upland community of Ubud is the self-proclaimed cultural center of Bali. Bali is where my longtime friend and colleague, Stephen DeMeulenaere, was living when I went to visit toward in 2007. Stephen, a specialist in local economic development and community currencies, has been working and living in Bali and other parts of Indonesia for almost 30 years. He speaks the language and is well acquainted with the local culture and customs.

Bali has become one of the most popular destinations for western tourists and, like other such destinations, has been somewhat spoiled by it. For me, Bali was a bit disappointing. After just a couple days in the heart of Ubud, I felt harassed by locals, and a bit sad. Despite their efforts to maintain their culture and way of life, it seems that the people of Ubud have become far too dependent upon foreign visitors. The competition for the tourist dollar, euro, and yen is intense. A leisurely, peaceful walk down the street is all but impossible. I was continually pressured to engage taxis I did not need and to buy stuff I did not want. When out and about, it feels as if one is the object of some predatory presence that keeps manifesting in slightly different forms, often like some big, overly friendly dog craving attention. That situation is not unique to Bali, of course—it's one that is common to virtually all popular tourist destinations. Tourists attract ever more hawkers, and eventually the place becomes overrun. I've had similar experiences in other places, including Goa (India), which were even worse.

Still, the Balinese culture has proven to be more resilient than most. Its social structure remains very tightly knit, its elaborate religious ceremonies still meaningful, and its governance structure highly decentralized and democratic. I was impressed with the apparent power of the local communities, especially since Hindu Bali is a part of Indonesia, which is predominantly Muslim. Not only have the Balinese managed to retain a large measure of independence from the central government in Jakarta, but also the local communities seem to be able to assert a large measure of control over their own affairs.

In 2002, Stephen teamed up with Bernard Lietaer on a research project to try to explain the relative resilience of Balinese society in the wake of the tourist onslaught, and to understand its governing structures. Besides researching the literature, they conducted interviews with Balinese leaders in and around Ubud. They reported that there are "three overlapping but separate local organization structures" that combine to provide "a strong social and cultural fabric." These are:

- The "Banjar" that orders the civil aspects of the community,
- The "Subak" that regulates the irrigation facilities (for farmers who are still active in rice production), and
- The "Pemaksan" that organizes the religious rituals.[5]

Of these, the banjar is the most significant structure in Balinese governance. DeMeulenaere and Lietaer citing various scholarly references, report that

> "The Banjar is the fundamental civil unit in Bali, operating in a decentralized, democratic, cooperative manner at the local level. It is an ancient organization structure, as the first written reference to it goes back to 914 AD…In a small village, there is often only one Banjar; in larger towns, there may be several. In Ubud for instance, there are four Banjars in the town itself, and 9 additional ones in the immediately surrounding villages."

Virtually everyone belongs to a banjar, which provides each person with a large measure of his or her identity.

Each banjar has an unpaid elected head who can be removed at any time by vote of the membership. Scale seems to be an important feature of the banjar in that none of them is very large. According to DeMeulenaere and Lietaer, "In the Ubud area each Banjar has between 750 and 1200 members, who are represented at the council by the 150 to 260 male heads of each household. The largest Banjars in Bali are the urban ones (Denpasar, the island's main city, has councils with more than 500 family heads); in villages they can be as small as 50."

Every member of a banjar is required to provide both money and services to the various projects that are discussed and decided upon at the monthly meetings. Those decisions include the necessary "contributions of time and money [needed] for each project…. In short, the Banjar functions as a community-based planning and implementation unit which budgets always its activities using two currencies, both Time as well as Rupiah."[6] DeMeulenaere agrees with me in asserting that it is too great a stretch to call the time commitment a "currency" as Lietaer does, but the work/service commitment of each Balinese adult has, no doubt, been a major factor in maintaining power at the local level and preserving the social and cultural fabric. I surmise that it does this in three ways: (1) it mobilizes local resources independently of the Indonesian monetary system, (2) it provides opportunities for families and neighbors to work together, continually renewing their bonds of kinship and solidarity, and (3) by its egalitarian nature, it tends to inhibit class differences that might otherwise arise. Add to this the small scale of the banjar units, and we may have the beginnings of a model for local democratic governance and self-determination.

What you won't find in Ubud is discotheques or western fast-food chains. With the object of maintaining the cultural authenticity of the place, all of the banjars that comprise Ubud have agreed that such disruptive influences and manifestations of foreign cultures will not be allowed. Their avowed intention is to avoid "becoming like Kuta," which is one of the main tourist destinations in Bali, best known for its excesses and debauchery. One can imagine that the pressures to allow the likes of KFC and McDonalds must be intense, but it seems the banjars have enough power to call the shots, at least for now. Still, one wonders how long they will be able to resist the pressures that large corporations typically assert through central governments.

The Mondragon Cooperatives

The town of Mondragon is nestled among the mountains in the Basque region of northern Spain. Mondragon, called "Arrasate" in the Basque language, is the hub of what is probably the most progressive and successful cooperative economy in modern history. It is an economy that has been built up over more than seventy-five years on the basis of humane ideals and cooperative principles—an economy that puts people above profits.

The town of Mondragon

I first became aware of it in the late 1970s but did not have occasion to visit until 2005. During my visit I enjoyed the privilege of a full day's briefing by Mikel Lezamiz, one of the executives of the Mondragon Cooperative Corporation, and Fred Freundlich, a long-time professor at the Mondragon University.

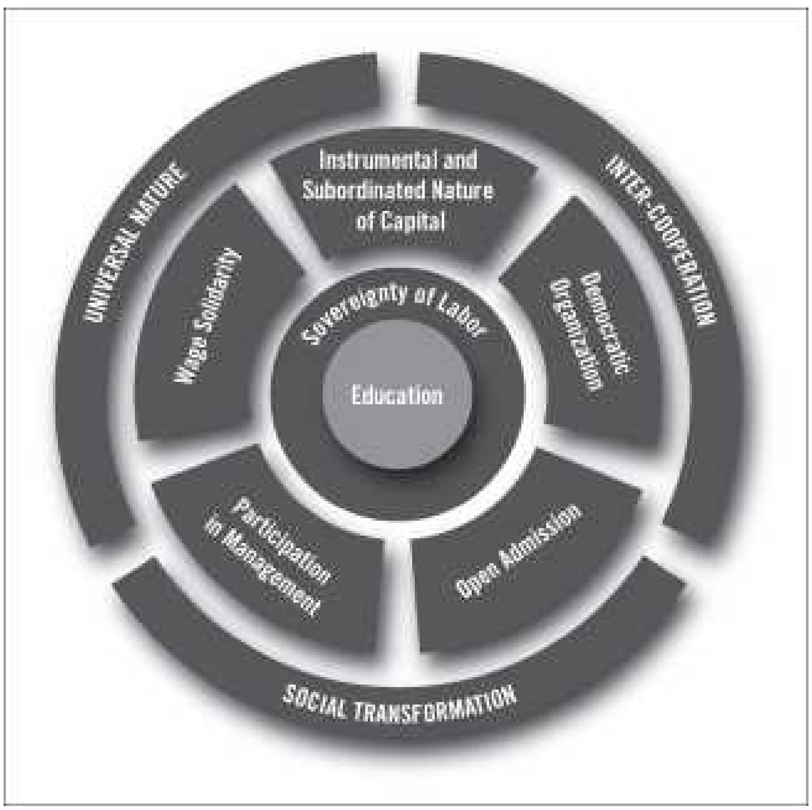

Figure 18.1 Basic Cooperative Principles of the Mondragon Management Model (Courtesy of the Mondragon Cooperative Corporation)[7]

The story begins in 1941 when Father José María Arizmendiarrieta was sent by his bishop to Mondragon. Just two years earlier, Generalissimo Francisco Franco had emerged the victor in the

Spanish civil war and had established his fascist regime that lasted until his death in 1975. Franco was resentful of the support the Basques had given to the Republican opposition and instituted repressive measures against them—including outlawing use of the Basque language. In the face of high unemployment and economic hardship, Arizmendiarrieta made economic development and education his main concerns, so in 1943 he set up a democratically managed Polytechnic School devoted to providing a good technical education based on principles of social solidarity and dedication to the common good of the community.

Under Arizmendiarrieta's guidance, the first worker-owned cooperative enterprise (named Ulgor) was established in 1956 by a few of his former students to manufacture oil stoves and heaters. A few years later they organized a credit union, called the Caja Laboral Popular (CLP, or Working People's Bank), to provide financial services to co-op members and start-up funds for new co-operative enterprises. "This stroke of genius resulted in the constitution of an entity which became the backbone of the co-operative project, enabling a growth rate that would have otherwise been impossible." But more than financing, this entity provided critical business advice to new cooperative ventures.

Over the next decade, the number of cooperatives proliferated rapidly. Their emphasis was on regional self-reliance, and production was mainly for sale within the region. "Before long, the cooperatives began to set up their own R&D departments with the aim of developing their own products, thereby avoiding both the need to pay royalties and the limitations imposed by the obligation to export to specific countries." [8]

As time went on the cooperative network spread throughout Spain and eventually to other countries. The latest figures show that Mondragon now includes more than 240 businesses (of which 81 are co-operatives), with a combined workforce of 70,000 people of which 27,313 people work in Industry, 37,578 in Retail, 2,179 in Finance, and 1,807 in Knowledge (education and R&D). 43.8% of their workers are based in the Basque Country, 41.5% elsewhere in Spain, and 14.7% abroad. The company ended 2022 with a combined turnover of €10,607 million. Mondragon remains the largest cooperative group in the world.[9]

The Mondragon Cooperative Corporation tries to achieve balance in these dimensions:

- Efficiency and democracy
- Economic and social concerns
- Equality and hierarchical organization
- Private interests (of staff and the companies) and the general interest
- Identification with the cooperative model and cooperation with other business models

What are the factors that account for the phenomenal success of the "Mondragon experience"? Official company documents highlight the following:

- The vision and influence of José María Arizmendiarrieta.
- The corporate culture in which people are given priority over capital.
- "A decidedly business-like approach" that emphasizes "company profitability and planned, rigorous and demanding management efficiency."
- "Re-investment of practically all resources generated."
- Adaptability to changing conditions.

- The creation of "efficient inter-cooperation instruments—financial, social welfare, innovation, and R&D, and coordinated methods of dealing with management issues and crisis situations."
- Emphasis upon training and education, including retraining to meet changes in market demands.

When a cooperative in the network experiences a drop in demand for its products, it does not respond in the normal fashion of cutting jobs—rather it may cut prices to make its products more competitive, or work aggressively to develop new products; it may reduce wages to keep everyone employed, or shift personnel to jobs in other cooperatives within the network. None of this is done in isolation but is guided and supported by the entire network infrastructure. Additional capital may be provided by the CLP, and workers retrained at one of the many vocational training centers. Other elements of the support infrastructure include a center for research and development, the Mondragon University, a management training center, and social services like health care.[10]

The strong ethnic identity and social solidarity of the Basques was no doubt a major factor in the early success of the Mondragon Cooperative model. This raises some important questions:

- Can the model be replicated elsewhere?
- Under what conditions might similar efforts have a chance of succeeding?
- What prior steps might be necessary to "prepare the soil" for cooperative enterprises to thrive in a particular region?

These questions are fairly thoroughly explored by Marc Peeters and Roel Schouteten in their 2024 article *Lessons from the Mondragón Cooperative Movement*.[11]

I believe that the Mondragon experience **is** replicable in some form, but it must be in conjunction with the simultaneous weaving of a strong social fabric. That effort need not necessarily be centered around ethnic identity and culture but could be based on other commonalities—such as religious affiliation, geographical proximity, shared values, or other factors that create common interests (but with concern for the greater common good always foremost). Social entrepreneur and Mondragon scholar Terry Mollner makes a distinction between the declining "material age" and the emerging "relationship age," and concludes that the success of the Mondragon cooperative economy derived from the fact that Arizmendiarrieta "set about building a Relationship Age society by extending into more sophisticated realms the Relationship Age values which were already present in Basque society."[12] He explains that this was done amid the repressive fascist occupation by avoiding confrontation, not by being passively servile but by doing what was for the good of all. As Mollner describes it,

> "Arizmendi simply extended this relationship of oneness, known by all in friendships and between lovers into the relationship with all things, even with those who see themselves as our enemies—like Franco and his Guardia Civil soldiers which were nearly always in view. ***Arizmendi pointed out that they were powerless to decide what people were thinking in their minds***. Thus, rather than confront them, which would be acting as if they could, Arizmendi separated what people were doing from the language and belief system within which they were doing it. "Let's do what we want to do and then simply talk about it in their language and ideas," is the kind of thing Don Jose Maria might have said. "***Since in their worldview they do not think what we are doing is possible, they will think we are doing what they want us to be doing because we are talking their language. We will be left alone to do exactly what we want to do right under their noses. They will be happy, and we will be happy without there being any need for confrontation*** [emphasis added]. Soon

they will discover that we are growing, and they are not because they are stuck standing there watching us." Of course, they also wanted the occupation to end, and they would work for that as well, but in the meantime they would be happy and prosperous and be building a society of their own. Thus, as you can see, Father Arizmendi's non-violent or loving methods of dealing with an oppressor in this setting did not even necessitate confrontation. (This makes me think that perhaps Father Arizmendi took non-violent political action to another stage of maturity beyond where Mahatma Gandhi had taken [it]…to post- confrontation.)[13]

Ways of Organizing Credit Clearing Exchanges

There are many possible ways of organizing to provide complementary exchange services. Up to now, most grassroots initiatives, like LETS, have either had no formal organization at all, or they have had the sponsorship of some existing nonprofit corporation acting as a legal umbrella and fiscal agent. The commercial trade exchanges have mostly been organized as for-profit corporations or limited liability companies. In considering forms of organization, it would be well to think beyond the immediate needs of the exchange to forms that will support the general objectives of relocalization and the emergence of economic democracy within communities. Forms of organization will play a crucial role in answering the key question—"how to build networks that are globally useful while maintaining power and control at the local level?"

Corporations

The first legal form that comes to mind is the corporation. But as corporations have become larger, more powerful, and international, there is increasing doubt about whether they are capable of serving the common good. Small closely held corporations often reflect the values and ethics of their founders, owners, and managers, and they can often be good community citizens—but it seems that once a corporation exceeds some threshold in size, and the ownership of its shares becomes widely dispersed, it becomes increasingly sociopathic in its behavior, seeking as much as possible to internalize profits while externalizing costs. This exploitative and anti-social behavior is not only a matter of "greedy management" but is driven by the existing laws pertaining to corporate management, taxation, and the definition of "fiduciary responsibility" which requires managers to maximize profits and to put other social objectives aside. David Korten, in his book *When Corporations Rule the World*, has described the abuse of corporate privilege and the increasing power that corporations wield in the modern world. As pointed out earlier, corporate charters granted by governments originally included limitations on both the duration of corporate life and the scope of corporate activities, but over time, as corporations gained greater control over money and capital, they were able to assert political power which swept away all limits. The question remains: "Is it possible to tame the corporate 'beast'?"

One possible way is suggested by the work of Peter Barnes, journalist and cofounder and former president of Working Assets Long Distance[14]. In his book, *Capitalism 3.0: A Guide to Reclaiming the Commons*, Barnes proposes that, rather than trusting government to protect the commons and restrain the corporations (an approach that has failed badly), the management and allocation of access to the various aspects of the commons could be done by "trusts." These entities would collect rents for access and distribute to the citizenry what has been called by Jeff Smith and others a "citizen's dividend." Private corporations would continue to maximize profits, but because the commons would be protected by numerous trusts, the corporations would have to internalize many of the costs they now externalize.

In 2006 I was collaborating on a regional economic development project in India, which was centered on the international community of Auroville and the nearby city of Puducherry. As one possibility, I suggested a corporate structure that would follow the multistage regional economic development plan that I described in Chapter 16, which could be undertaken by a "regional development trust" that would hold the majority interest in the corporation. As I envision it, that trust would have a diverse membership representing various interests and sectors of the communities within the bioregion, but unlike typical political offices, trustees might be appointed by each constituent group to serve a limited term and be subject to immediate recall, in a way similar to the Balinese practice.

Limited Liability Companies and Limited Liability Partnerships

The U.S. Limited Liability Company (LLC) and the U.K. Limited Liability Partnership (LLP) are relatively new organizational forms. Like the corporation, these legal forms provide limited liability to the owners, but without the disadvantage of "double taxation."[15] In the latter respect, they resemble partnerships. More importantly, LLCs and LLPs have a greater potential for harmonizing the interests of the various stakeholders—clients, managers, investors, and the general community—because all of these groups can be members of the "partnership." Chris Cook is a former petroleum exchange director and current enterprise architect and consultant who has been specializing of late in partnership enterprise models. He has articulated how these legal forms might be applied to complementary exchange systems as well as to capital projects involving renewable energy and other green technologies. He is promoting the ideas of risk guarantee, revenue sharing, and temporary equity under the rubric of "Open Capital."

> Open Capital is the concept of partnership finance through the sharing of risk and reward. *Risk* is shared through a "guarantee society" or clearing union, where trade credit between buyers and sellers is subject to a mutual guarantee.
>
> *Revenues* are shared through co-ownership of a productive asset by the investors and investees.[16] [emphasis in the original]

Cook describes one mainstream example of the use of the LLP form to align the interests of the "provider of capital" with those of the "user of capital."

> The optimal nature of the UK LLP is already becoming apparent, and a number of technology start-ups have utilised the form. Moreover, a transaction entered into in late 2002 by the Hilton Hotel Group serves as an example of how "Temporary Equity" may operate in practice (although it is extremely doubtful that the parties realised quite how ground-breaking their transaction was to be). The Hilton Hotel Group sold a portfolio of 10 hotels for some £350m to an LLP in which Hilton (the Occupier) holds 40% and the balance of 60% is owned by another LLP linking the 3 Investor Members—one of whom is Bank of Scotland. The Investors receive for 27 years 28.8% of the gross revenues from these hotels plus a further £3m pa [per year] all subject to a floor of £17.5m pa or 5%.
> There were two conventional routes Hilton Group could have taken to raise Capital from these assets.
>
> - a loan secured by a mortgage over the hotels.
> - a "sale and leaseback" transaction.
>
> which give rise to an interest and rental overhead respectively and to a divergence of interest between the provider of Capital and the User, *i.e.,* between the Lender and Borrower or the Freeholder and Leaseholder, respectively. In this transaction, however, the interests of the provider of Capital and the User are aligned, as both have an interest in maximising the overall Value creation of the LLP in terms of revenues.[17]

We can note from the above example that there are two characteristics of such arrangements that distinguish them from conventional equity arrangements:

1. The shares pertain, not to profits, but to revenues; and
2. The sharing arrangement is not permanent but temporary.

Space does not permit a thorough discussion here, but these emergent forms and innovative approaches seem to merit further investigation and development.[18]

Mutual Companies

Although the concept is mainly unknown among younger generations, mutual companies have a long history. There have been, and still are, structures known variously as mutual savings banks, mutual insurance companies, credit unions, savings and loan associations, and guarantee societies (in the United Kingdom). Unlike ordinary corporations or stock companies, mutual companies have no stockholders. They are owned by, and operated for the benefit of, their depositors, clients, members, or policyholders.

There has been in recent years an unfortunate trend toward "demutualization," the process of converting mutual companies to stock companies. This is a matter with which I have some personal experience. When I was around seven years of age, I received as gifts a small amount of money. It totaled perhaps thirty dollars. My parents, knowing that I would quickly spend it if it were kept at home, decided that I should deposit the money in a bank—and thereby learn a lesson in thrift and deferred gratification. One day, they took me downtown to open an account. I can still remember the feeling of awe as we entered that impressive structure that sat across the street from my dad's office. The building, both outside and in, seemed as extravagant as any church I had been in up to that time. It had a bright, spacious interior, with a high vaulted ceiling covered in mosaic tiles depicting various bucolic scenes. A long line of teller windows ran the entire length on one side, while the other side was furnished with massive wooden desks at which were stationed well-dressed men and a handful of women ready to do business. That bank happened to be a mutual savings bank. Many years later, while in graduate school for my MBA, I was a sad to learn that one of my professors was instrumental in the demutualization of that bank.

Those were the days when a family could live pretty well on one income. During my undergraduate days at Villanova, the ten dollar allowance that my dad sent me faithfully every week was enough to take care of my incidental expenses and pay for an occasional lark, like a weekend in New York or Atlantic City with classmates. My dad, with his seventh grade education, had made a successful career of selling life insurance. He managed to put both me and my sister through college, with my mother at home keeping house for all but a few years of their marriage (during which she went to work to help make a down payment to buy a house). The company my dad worked for was another mutual company, Metropolitan Life Insurance Company, now known as MetLife. But many years later, after my dad had long been retired, that company, too, demutualized. Most policyholders, not knowing the original philosophy behind mutualization, voted in favor of the change. They gained a few shares of stock, but I think they lost a great deal more—another case like Esau selling his birthright for a "mess of pottage."

During the S&L crisis of the 1980s, many Savings and Loans and Mutual Savings Banks were forced to demutualize. A fairly clear picture of the situation is provided by a report of the Federal Deposit Insurance Corporation. It states that,

> In the early 1980s, many mutual savings banks failed because both macroeconomic forces and changes in the financial services market-place were inhospitable to the industry's traditional mode of operating. By law and regulation, MSB [Mutual Savings Banks] assets were permitted to be invested primarily in fixed-rate mortgages and long-term bonds, but as short-term interest rates rose to historically high levels between 1979 and 1982, the market value of these assets plunged. At the same time, MSB liabilities were composed almost exclusively of short-term deposits paying rates of interest subject to deposit interest-rate ceilings—and as market rates rose, even small savers began to think like investors. MSB deposits were withdrawn and placed in higher-yielding investments. Regulators fought this disintermediation by permitting the introduction of a variety of time deposits paying market rates of interest. These certificates of deposit helped MSBs retain funds, but they also raised the industry's cost of funds. Yields on assets rose much more slowly, and net interest margins shrank and became negative. Operating losses were so great that capital levels built up over a century or more of profitable operations quickly eroded.[19]

The report further concludes that "MSB failures were predictable and, arguably, preventable."[20] All of this sounds too familiar. Did the more recent subprime mortgage crisis of 2007-2010 have any relationship to these earlier financial crises? Why, one must ask, has the "remedy" of demutualization been pushed forward so strongly?[21]

DAOs—Decentralized Autonomous Organizations

A Decentralized Autonomous Organization (DAO) is an emerging governance model in which a large group of participants collectively share ownership and decision-making power. By operating on a blockchain ledger to use smart contracts & token-based governance, a DAO is able to run without a central authority, which has the potential to make management more transparent and decision-making more democratic.[22] DAOs could possibly be used in a wide variety of applications, including the management of credit clearing cooperatives and local investment funds, but while they provide some advantages over traditional centralized ledgers and third-party record keepers, personal relationships are still necessary to verify participant identities, and active participation of members and stakeholders is still required to prevent dominance by a small group.

Scale of Organization

If we seek to ultimately create a global exchange network that is globally useful while locally controlled, we need to pay attention to the element of scale. The size of each unit or node in a network may well be even more important than its legal form. The interpersonal dynamics within a group change drastically as its size increases. This is something that Malcolm Gladwell highlights in his book The Tipping Point. Referring to "The Rule of 150" he says, "Above that point, there begin to be structural impediments to the ability of the group to agree and act with one voice."[23] He cites the unusual organizational structure of the highly successful company Gore Associates. This is the company that is best known for its Gore-Tex fabric and high-performance outdoor sportswear and gear. It is a company with a very flat hierarchy and no titles; everyone is simply an "associate." Gore also has a policy of not allowing any plant to get bigger than 150 people. They will, instead, start a new plant when market demand requires greater output. Gladwell observes that, "Gore doesn't need formal management structures in its small plants—it doesn't need the usual layers of middle and upper management—because in groups that small, informal personal relationships are more effective."

The Rule of 150 is something that has been discovered time and again. It applies in a variety of contexts, from the military to high-tech business to religious organizations. British anthropologist, Robin Dunbar, based on his primate research, has explained it on the basis of a physical characteristic of the brain. He says it is the size of the neocortex that limits the capacity to maintain stable interpersonal relationships. In humans, that capacity seems to be around 150.

Achieving a system of reciprocal exchange that is locally controlled yet globally useful is totally dependent upon keeping the scale of the basic organizational unit small. The structure that I envision consists of local mutual credit clearing exchanges comprised of small affinity groups that are networked regionally and, eventually, globally. Affinity groups that are small and co-responsible enable high levels of trust and democratic self-regulation, but they interact with other affinity groups in ways that enable intergroup trading and the development of social solidarity. As Gladwell concludes, "That is the paradox of the epidemic: that in order to create one contagious movement, you often have to create many small movements first."[24]

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[1] Richard Flyer, *Birthing the Symbiotic Age: An Ancient Blueprint for a New Creation*. https://richardflyer.substack.com/p/birthing-the-symbiotic-age-table. Accessed October 10, 2025.
[2] See, for example, David Ewoldt, Connecting the Dots: A Roadmap for Critical Systemic Change, and Janine Benyus, *Biomimicry: Innovation Inspired by Nature*.
[3] The effectiveness of this approach has been amply demonstrated by the work of such innovators as Carolyn Lukensmeyer (America Speaks: www.americaspeaks.org), Jim Rough (The Center for Wise Democracy: www.wisedemocracy.org), Jean Francois Noubel (http://thetransitioner.org), and Richard K. Moore (Escaping the Matrix: How We the People Can Change the World: http://EscapingTheMatrix.org).
[4] Much of this information is taken from the site, https://whatsnewindonesia.com/bali/feature/education/balis-banjar-where-tradition-culture-and-community-thrive. Accessed October 9, 2025.
[5] S. DeMeulenaere and B. Lietaer, *Sustaining Cultural Vitality in a Globalizing World: The Balinese Example*, International Journal of Social Economics 30, no. 9 (2003), pp. 967–84. See also https://www.murnis.com/culture/balinese-organisations/ for further details on each of these. Accessed October 10, 2025.
[6] Ibid.
[7] Taken from the Mondragon document, *Corporate Management Model*, March 2007, p. 17.
[8] The original document from which these quotes were taken is no longer available, but historical accounts can be found in various places, including Wikipedia, https://en.wikipedia.org/wiki/Mondragon_Corporation, Accessed October 5, 2025.
[9] https://www.mondragon-corporation.com/wp-content/uploads/docs/MONDRAGON-media-kit-EN.pdf, Accessed October 4, 2025.
[10] https://www.mondragon-corporation.com/en/. Accessed October 5, 2025.
[11] https://www.corporate-rebels.com/blog/lessons-from-the-mondragon-cooperative-movement. Accessed October 4, 2025
[12] Terry Mollner, *Mondragon: The Loving Society That Is Our Inevitable Future*. https://www.filmsforaction.org/news/mondragon-the-loving-society-that-is-our-inevitable-future/. Accessed October 9, 2025.
[13] Ibid.
[14] https://www.encyclopedia.com/books/politics-and-business-magazines/working-assets-funding-service. Accessed October 10, 2025.
[15] Owners of corporate shares often complain that they must pay income tax on the dividends they receive on their shares, even though the corporation has already paid a tax on its corporate profits. Whether this constitutes double taxation, and whether it is fair or not, is an arguable point. One could argue that the corporate income tax is a legitimate charge for the privilege of limited liability that corporations enjoy— which is something wholly distinct from the tax on personal income.
[16] Open Capital Website, www.opencapital.net.
[17] Chris Cook, *If Not Global Capitalism—Then What?*
[18] See Cook's Website at www.opencapital.net.

[19] An Examination of the Banking Crises of the 1980s and Early 1990s, Chapter 6, p. 230. Available at www.fdic.gov/bank/historical/history/211_234.pdf. Accessed October 10, 2025.
[20] Ibid., p. 231.
[21] You can learn the history of mutual savings banks at https://www.investopedia.com/terms/m/mutual-savings-bank.asp. Accessed October 10, 2025.
[22] *The Ultimate Guide to DAOs (with 10 Examples)*. https://blog.thirdweb.com/what-is-a-dao/. Accessed October 10, 2025.
[23] Malcolm Gladwell, *The Tipping Point*, p. 182.
[24] Ibid., p. 192.