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ERGONOCRACY

***A new ideology for a Human
Adapted 21st Century Regime***

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A new ideology for a Human Adapted 21st Century Regime

“A return to our roots with the help of Information Technology.”

“The road to an unavoidable and peaceful revolution.”

“Ergonocracy - the regime that anarchists would endorse if they had to choose a system with rules.”

“Power is a necessary evil and must be shared by all community members.”

“The people's destiny is too important to be left on the hands of politicians”

“Ergonocracy - the only mutation that will allow capitalism to survive, in a more humanistic version.”

“First, there was capitalism; then, Communism and finally: Ergonocracy!”

INDEX

1. ERGONOCRACY – AN OVERVIEW

- The current situation1
- Scope of Ergonocracy7
- Our historical inheritance – the past 5
- The purpose of Ergonocracy6
- Hope16

2. CONSIDERATIONS ABOUT HUMAN NATURE

- 2.1 Characterisation.....18
- 2.2 Human beings are extremely adaptable19
- 2.3 Human nature is nomadic and “tribalistic”20
- 2.4 Human beings are insecure, selfish and easily
corrupted26
- 2.5 Human beings’ polygamist nature30
- 2.6 Conclusion38

3. THE ERGONOCRACY POLITICAL MODEL – THE GLOBAL COMMUNITY

- 3.1 Characterisation41
- 3.2 Underlying principles43
- 3.3 Players in the political process50
- 3.4 Legislative power56
- 3.5 Executive power.....57
- 3.6 Community Web portal58
- 3.7 Community Web portal security Mechanisms65
- 3.8 How citizens vote65
- 3.9 Types of laws and proposals71
- 3.10 Public Functions and Concessionary Companies75
- 3.11 Global Community Diagram78
- 3.12 Example of a Public Functions’ structure79
- 3.13 Public Procurement88
- 3.14 The educational system – an example100
- 3.15 Citizens’ contract101
- 3.16 Disadvantages and threats103

3.17	System's protection - application of the principle of transparency.....	107
3.18	Benefits and opportunities of this political model	109
3.19	Conversion of traditional institutions	114

4. THE ERGONOCRACY SOCIAL MODEL – THE LOCAL COMMUNITY

4.1	Characterisation	117
4.2	Underlying principles	119
4.3	Local Community management	122
4.4	Diagram with an example of a Local Community.....	132
4.5	Two innovative models	133
4.6	The Local Communities of Common Interest Model	134
4.7	The Housing Model	138
4.8	The Advantages of these three combined models	145

5. THE ERGONOCRACY ECONOMIC MODEL

5.1.	Characterisation	147
5.2	Underlying principles	150
5.3	Microeconomic rules and guidelines	158
5.4	Recommended process for conversion of companies ...	187
5.5	Examples of different ways to convert SME's	194
5.6	Examples of different ways to convert larger companies	202
5.7	Macroeconomic rules and guidelines	217
5.8	Social and political implications of the Ergonocracy Economic Model	245
5.9	Trends, risk and performance	253
5.10	The advantages of this economic model	266

6. THE ERGONOCRACY JUDICIAL AND SECURITY MODEL

6.1	Characterisation	276
6.2	Underlying principles	277
6.3	The distinction between good and evil is a socially	

	constructed concept	279
6.4	The Ergonocracy Judicial Model	286
6.5	The Ergonocracy Drug Problem Solution Model	305
6.6	The Ergonocracy Security Model	310

7. THE ERGONOCRACY TRANSPORT AND DISTRIBUTION MODEL

7.1	CDB - Community Delivery Box network tunnels	315
7.2	Suggestion for a driverless autonomous vehicles model	331
7.3	Public automated self-driving vehicles	336

8. GRADUAL TRANSITION TO ERGONOCRACY

8.1	Problems related with the implementation of an Ergonocratic Regime	342
8.2	Strategies to diffuse and struggle for Ergonocracy - Pre-Ergonocracy	344
8.3	The three-stage method - Pos-Ergonocracy.....	352
8.4	Traditional political structures	359
8.5.	Sustainability	361
8.6	Ergonocracy final purpose	362

9. THE ERGONOTOPY – UTOPIAN STAGE

9.1	Ergonotopy has nothing to do with Ergonocracy	365
9.2	What is Ergonotopy all about?	366
9.3	Barriers that limit human beings	369
9.4	Actions we should take in order to eliminate these barriers.....	371
9.5	The principle of fraternity	374
9.6	Derivative effects of Ergonotopy	376

10. GLOSSARY

396

1. Ergonocracy - an overview

The current situation

The uncertain times we are living in today are characterised by various types of unsolved problems, which have led to a widespread lack of hope.

In economic terms, there is no doubt that the capitalist system has not been able to overcome successive financial, speculative and structural crises which were brought on by many factors: overproduction and strong competition, basic errors in banking regulation, excessive public debt, and, most notably, cyclic speculative crises. Therefore, we are witnessing an increasing pace of middle-class impoverishment, a fact that is aggravated by unemployment, globalisation and serious changes in geo-politics. As a result, the gap between the richest and the poorest is widening.

The response to these crises has been very weak. Some countries governments' opted to raise taxes and cut public spending, including social security, which in several countries, has led to widespread demonstrations of protest and strikes. These have been joined by anti-globalisation movements, environmental protection movements and protests by the unemployed and disgruntled employees. If this situation persists, there is a serious risk of revolutionary actions erupting around the world, which can force the launching of a new wave of autocracies, as has happened throughout so much of our history.

Politically, apart from a few rare exceptions, most international leaders show an enormous lack of talent, charisma

and vision for the future. Politicians seem to show no concern for citizens' views, finding grass-roots involvement processes complex and boring which has led to a growing feeling of mistrust regarding traditional democratic institutions. It has even reached an extreme stage where some angry citizens now dare to question the traditionally almost divine concept of democracy as most citizens demonstrate no fondness for ideologies and find it increasingly difficult to situate their logical viewpoints within the traditional right or left on the political scale.

All these facts highlight the notion that current regimes are clearly unsuited to the needs of 21st century citizens, creating an ever-widening gap between citizens and institutions.

This climate of mistrust is constantly reinforced by news of political and economic corruption, which spreads easily around the world thanks to the rapid speed of modern communication. This phenomenon has affected all levels of society, such as magistrates, entrepreneurs and local community leaders. It can have an especially serious effect on all those in power and on those who have the ability to influence decision-makers.

Scope of Ergonocracy concept

Ergonocracy is a new, coherently integrated regime composed of a set of new political, economic, social and judicial models.

These revolutionary practical models are immediately applicable and focus on the following goals:

- To promote a system where there is an effective reduction of centralised power with the help of information technology; enabling citizens to participate

in the decision-making process;

- To provide all citizens with equal political intervention power;
- To abolish power intermediaries;
- To maximise individual freedom;
- To reform the capitalist system by eliminating the economic exploitation of Man by Man without questioning the freedom of private initiative;
- To create one single class of workers who are simultaneously private company owners;
- To create an economic system that will naturally lead to well-balanced prosperity, enhancing human performance without excluding anyone in the process;
- To create an environment that facilitates an individual's integration into the system;
- To create a more efficient and expeditious judicial system;
- To glance at the future, enhancing our best options and trying to reduce risks.

The fundamental goal of these models is to present a new alternative form of public organisation that is better adapted to the genuine nature of the human being.

The name – Ergonocracy¹ - was chosen to highlight the

¹ *The term "Ergonocracy" intends to combine the suffix "cracy" meaning political power with the term "Ergonomics", derived from the Greek "ergon" (work) and "nomos" (laws) to designate the science of adapting work to one's environment. In fact, ergonomics is a discipline-oriented system, related to all types of human activity.*

importance of adapting man's surroundings to his true characteristics, as is also the case with the term "Ergonomics"², which reflects a concern for the optimisation of man's well-being and overall system performance in terms of his work environment.

The term "Ergonocracy" applies to a much wider field and maintains, in an analogous way, the notion of humans' adaptability to their environment in all aspects of public life³.

Therefore, as it will be described later, in more detail, a new economic, political, judicial and social regime, created from scratch, taking this common concern into consideration. All aspects of a system should match the true characteristics of human beings, not just at the aggregate level (macro), but also primarily at the individual level (micro). It is based on the assumption that the whole Ergonocracy "structure" was built.

Ergonocracy models reflect a humble approach and aims to perceive how to make use of the positive parts of existing

² *The International Ergonomics Association defines ergonomics as follows: "Ergonomics is the scientific discipline dedicated to the understanding of interactions among humans and other elements of a system, and corresponds to the profession in which are applied theory, principles, data and methods for projecting the optimisation of human well-being and overall system performance." Other definitions state the following: "The applied science of equipment design, as for the workplace, intended to maximize productivity by reducing operator fatigue and discomfort."*

³ *Ergonocracy can be observed as an extended approach of the concepts associated with macroergonomics. Macroergonomics is an approach to ergonomics that emphasises a broad system view of design, examining organisational environments, culture, history, and work goals. It deals with the physical design of tools and the environment. The goal of macroergonomics is a completely efficient work system at both the macro- and micro-ergonomic level, which results in improved productivity, and employee satisfaction, health, safety, and commitment. It analyses the whole system, finds how each element should be placed in the system, and considers all aspects for a fully efficient system.*

systems without any disruptions, unless absolutely necessary.

Our historical inheritance - the past

Past regimes and rulers throughout history have always used every means at their disposal to secure and extend dominance over their subjects, including the exercise of control over religion, people's fears, traditions, social habits, morality, etc. This means that the social rules in effect today do not reflect our true nature, as they result from the opportunistic strategy of past rulers.

The regimes that currently govern us are a result of successive and progressive modifications of all previous systems of government. Although there have been attempts to adapt to the changing times, the reality is that the embryos of this system began with despotic and autocratic regimes. Consequently, what we have today is a heavily patched historical legacy of efforts to improve something that was undoubtedly bad from the very beginning. This contributes to the common observation that today's political regimes are utterly unsuitable for the 21st century citizen's needs. One can conclude that there is an increasing distance between citizens and institutions.

Ergonocracy looks at the past in order to understand the reasons why previous regimes failed. It particularly analyses our distant past in order to grasp the genuine characteristics of our species.

Humans have the advantage, for the first time in history, of being able to benefit from the fruits of the Information Technology Age⁴. However, in terms of political and social

⁴ *Sustained in IT – Information Technology which many authors believe will lead to*

organisation, we have not significantly evolved. This is because when “democratic” regimes were created, IT resources had not yet been invented. We are therefore still being governed by a system that does not make use of all of the technological achievements over the years.

The present system is no longer adapted to our needs. One reason is because people in power - the intermediaries or representatives - have no interest in changing the “status quo” for fear of losing their influence and benefits. In contrast, Ergonocracy models heavily depend on current Information Technology, making intermediaries obsolete.

The purpose of Ergonocracy

Ergonocracy is both a philosophical and practical approach to help resolve society's problems.

It only makes sense in a truly free world, and aims to indicate the path to a society where people have fewer constraints on their individual freedom, including certain specific rights. After all, the scope of Ergonocracy highlights the “person”, respecting all aspects of his or her individuality, defining the minimum necessary limits and restrictions in a context of simplicity, flexibility and transparency.

Ergonocracy will be based on principles such as the maximisation of the individual's well-being and comfort, including the prospect of a hedonistic lifestyle. Ergonocracy also highlights principles such as reduced human effort, the elimination of repetitive non-skilled work, the intensive use of Information Technology and sustainable, readily available leisure activities.

As an alternative to the concept of a “State”, proponents of Ergonocracy prefer to designate the set of infrastructures and public entities as the Extended Global Community. This scheme rests on quite an innovative political and economic model and avoids the disruptive nature of the capitalist models that predominate in most Western represented democratic countries at the beginning of the 21st century.

Instead, these methods suggest a gradual adaptation by proposing concrete step-by-step phases for the implementation of Ergonocracy models. In fact, these models do not limit themselves to a mere theoretical ideology because they present an eminently practical set of solutions with concrete paths achieving each of the addressed issues.

This is what Ergonocracy is all about: the design of a new regime.

However, Ergonocracy is not a magical recipe with fixed guidelines and dogmatic rules that will be equally applied in all cases. On the contrary, it is understood that each nation has its own idiosyncrasies, which leads to the logical conclusion that each country must find its own path.

Next, we’ll proceed by analysing the most important features of each of the eleven chapters.

Considerations about human nature (see Chapter Two)

When a new model is created in any field of knowledge, we must first start by understanding the traits and the nature of those it is meant to serve. This is why we will begin with an analysis of the real characteristics of contemporary human beings.

In this chapter the characteristics of human beings likely to

have the greatest impact on the creation of these models will be addressed, as observed through the lens of Ergonocracy. It can be discerned that:

- ... human beings are extremely adaptable;
- ... the real nature of human beings is nomadic and tribalistic;
- ... human beings are selfish, insecure and surrender easily to the temptations of corruption.

Among these essential characteristics, the most important is our tribal and nomadic nature, which developed over most of our evolutionary period. The practical implication of this lies in the fact that we must create a model that facilitates the mobility and integration of citizens within their communities, so that they can feel as if they identify with these communities.

We can deduce that if an individual is successfully integrated within his or her “tribe” and if there are no reasons for fear or anguish about health or the future, his or her primary needs will be reduced and he or she will opt not to pursue power in order to reduce the chances of starting conflicts with his or her peers. All models must therefore bring about the integration of the individual within the group.

Another logical conclusion states that it is crucial to create a system that is correctly protected in order to prevent corruption and malicious practices and this can be achieved reducing all personal mandates.

It is also concluded that Ergonocracy rejects the concept of personal leadership, proposing in its place a model based on collective decision-making. The assumption is, also, that people will widely accept all decision-making mechanisms that resemble the practical, simple and direct application of power

that occurred in most tribes throughout our evolutionary process.

The Ergonocracy Political Model – the Global community (see Chapter Three)

Politically, as we will observe in Chapter Three, Ergonocracy presents an original system of direct democracy with a political model in which citizens exercise legislative power; voting on legislation directly via an electronic platform (internet web portal, called Community Web portal). This portal is designed to give each citizen the opportunity to participate in the voting process and to be informed about every proposed law allowing the functioning of the three powers: Legislative, Executive and Judicial. It will be through this portal that all interaction between citizens and Public Function Concessionary Companies takes place as it will permit contact by various means, including telephone, computer, or video conference.

According to this model, executive power is divided into pre-determined public functions and carried out by service companies called Concessionary Companies, by way of public tender. These are chosen via a direct citizen voting process through an open request for tender, commonly abbreviated as RFT⁵ which analyses the budget programmes and purposes

⁵ *A request for tender, commonly abbreviated as RFT, is a structured invitation to suppliers for the supply of products and/or services. As a consequence of the scale and of the tender process the majority of RFT's are published by government sector agencies at the local, state and federal levels. Companies in the infrastructure and utilities sectors may also periodically publish RFT's. The closest equivalent to an RFT in the mainstream private sector is a request for proposal (RFP), which typically has a less rigid structure. An RFT is usually an open invitation for suppliers to respond to a defined need as opposed to a request being sent to selected potential suppliers. The RFT often requests information gathered previously from a*

being proposed by each company-candidate. This objective is predetermined by citizens using their own specifications of open tender.

Each Concessionary Company will have the responsibility to manage another RFT process type - to choose each Sub-Concessionary Company that will execute each task (sub-functions) which are all operational activities.

Taking into account the described framework, power would be distributed among the whole population, leading to the extinction of all political representatives and intermediaries. Thus, all citizens are both leaders and followers. All personal mandates would be abolished, with only one exception: the Arbitral Council, which will essentially act as a moderator.

This system will be controlled by three Controlling Entities which purpose is to find the maximum number of irregularities as possible, whose revenue depends on that.

All laws governing this model should be confined to a simplified document that all citizens are required to know and symbolically sign when they reach the age of adulthood.

The Ergonocracy Social Model - the local community (see Chapter Four)

The Ergonocracy Local Community replaces what in Western democracies is called the City Council. In social terms, we will analyse the Local Community and cover all matters associated with the citizen. We will propose a new management model, employing similar mechanisms as those

RFI. This will usually not only cover product and service requirements, but will also ask for information about the suitability of the business. The more rigid structure of an RFT assists the submission normalisation process.

proposed for the Global Community. This also applies to the principles, especially those concerning the dilution of power and the importance of total transparency.

The Community Web portal will also be used in order to guarantee necessary communication among citizens and among the various agents involved in Local Community management processes. For this purpose, a “URL” connection or a “shortcut” will be established to act as a gateway, redirected to a Sub-Portal managed by the Local Community Concessionary Company.

Every Local Community is supposed to elect its own Neighbour Commission, which will play a similar role to the Arbitral Council in the Global Community political structure.

Each citizen can choose to live in any Local Community of Common Interest, which will allow the agglomeration of people with common interests and similar ways of life. It will be possible to set a desired profile for new neighbours which will have to be chosen by an overall majority of citizens. This model has the advantage of easing restrictions, facilitating the choices of common public investments and helping to create an environment that allows for the integration of the citizen into the community.

Undoubtedly, this is an attempt to recreate the positive aspects of the first human nomadic tribal environment. The principle of mobility is enhanced and a new housing model emerges, where the citizen would be able to acquire Housing Right Titles and therefore be able to change residence in a relatively easy manner while still having the financial advantage of investing in the acquisition of his own assets.

The Ergonocracy Economic Model (see Chapter Five)

It is crucial to minimise the adverse effects caused by the capitalist system, such as glaring economic inequality, one-sided human exploitation, speculative cycles, structural imbalance and the concentration of capital in massive corporations, etc.

It is for this reason why, in terms of microeconomics, we created a new economic system that is better adapted to mankind's characteristics, since this model has the main purpose of proposing a naturally balanced system that will do away with the exploitation of man by man. This implies that the current concept of employers and employees will cease to exist and in its place there will be a member-colleague business relationship, although certain partners may still have more influence in the organisation. The result is a single working class, which will simultaneously aggregate capital and labour.

This model attempts to create the best of two worlds, to keep the freedoms and advantages of private initiative on one hand (assuming that all companies will be profit-oriented), and the elimination of human exploitation on the other.

For this to happen, new regulations will have to be established banning anyone from working directly for another entity or another person. Each citizen will only be allowed to work in a company where he is a shareholder. Only companies will be allowed to perform services, to produce, and to generate invoices. In addition, another fundamental guideline will state that every working citizen hold at least five percent of the shares of that company which means that each company will have a maximum of twenty members. We will demonstrate how to effectively convert existing companies into this Ergonocracy model, presenting a few practical models and

examples and we will show how to transform this apparent limitation into an economic opportunity.

It will be revealed why this type of economic structure - in which all companies are small and flexible units - will be better in economic terms, being that the great advantage of this system (where all employees are members of their companies) is that everyone has a vested interest in the organisation and genuinely strives for its success, also emphasising the importance of meritocracy. Besides, all large companies will have to be subdivided into smaller businesses, managed by the parent company in order to experience a “tentacle” type of growth, virtually promoting the development of a single social class of entrepreneurs.

Each company partner will have the right and duty to participate in the decision-making process. His or her vote will count according to the percentage of shares held.

In macroeconomic terms the Ergonocracy Economic Model defends the following actions: a simplified tax model and enhancement of tight budget control measures; using money only in digital form; replacing stock markets with direct ownership mechanisms; redefining the concept of interest rates; assigning a specific role to venture capital companies; defining an innovative way to manage the financial needs of public entities.

Then, some of the most relevant economic trends will be specified, including the development of e-commerce, the extinction of intermediaries, the company’s customisation offer, and the risks of corporations will also be analysed with some suggested amendments on international trade.

The Ergonocracy Judicial and Security Model (see Chapter Six)

Ergonocracy presents a judicial model supported by Information Technology, introducing mechanisms to make justice work more quickly and efficiently, favouring the simplification of all legislation, with transparency and speedy proceedings.

It also advocates a new concept of criminal court organisation where there should be a close partnership among criminal police investigation teams and judges. This model defends the classification of the treatment and punishment of criminals (physical separation) according to the type of crime, and the motives, they have committed. New strategies for the rehabilitation of convicted felons will also be presented.

A drug problem solution model will also be offered for discussion.

Furthermore, in terms of security, a model will be presented that will make use of the technological means that are available today for military purposes, advocating a concept of quick alert and quick intervention, opting for an intervention method instead of the present reactive model of police patrol.

The idea is to institute powerful deterrents aimed at drastically reducing crime as most criminals will get caught red-handed.

The Ergonocracy Transport and Distribution Model (see Chapter Seven)

Currently, we experience the increasing use of the internet in the world of commerce, but only a small portion of all internet transactions are likely to be concluded immediately,

i.e. after the consumer makes the payment for the order.

Thus, the aim of the CDB - Community Delivery Box network tunnels - is to allow the implementation of an immediate process for sending and receiving merchandise ordered via the internet, or sent between any individuals or companies for all types of transactions. This system will allow the immediate resolution of asset transactions involved in the process of internet commerce, establishing new frontiers in the world of digital (and physical) communications.

In effect, the CDB system would simply be another underground network of open tunnels, created in such a way to allow a local terminal at each residence and/or each company, ending in the most suitable place.

This system will allow a revolutionary change in the consumer's life as it will provide a whole new set of services that do not exist today.

In this chapter a suggestion for a driverless autonomous vehicles model and a public automated self-driving vehicles model will also be presented.

Gradual transition to Ergonocracy (see Chapter Eight):

A few strategies to overcome Ergonocracy opposition by the ruling classes will be recommended, however it must be emphasised that Ergonocracy must never be implemented by force.

After the path is opened to implement Ergonocracy, a detailed three-stage method may be useful that specifies the most critical steps necessary to change present reality into desired destiny - a fully implemented Ergonocratic regime.

The Ergonotopy - Utopian Stage (see Chapter Nine)

It is critical to emphasise that Ergonotopy has nothing to do with Ergonocracy. Ergonotopy is an imaginary, utopian world, while Ergonocracy models are practical, objective and ready to be implemented in planned phases whenever citizens decide to do so. Although Ergonotopy might be understood as a logical, long term continuation of Ergonocratic trends, it is not its final purpose as Ergonocracy has no specific final purpose.

Ergonotopy is basically a utopian scenario describing a possible ideal future. It presents a set of utopian goals for humanity's distant future, a time when everything that is bad about human life will have been eliminated. The necessary conditions for this to be possible will be detailed and also the changes it may imply.

Hope ...

Ergonocracy models are a possible approach to the resolution of the economic problems and the political crises that characterise our times.

It may also be a response to the citizen's increasing aversion to politics, as well as to a widening level of distrust of most politicians and institutions.

It can also be interpreted as a new world order, which can bring much needed hope to all people, particularly to young people who, when entering the job market, face a future with few expectations for safety and quality of life. This is what currently happens around the world, including the developed countries.

These Ergonocratic models are at pace with the great tendencies that influence our times, namely, increasing

population aging, climatic change, globalisation and the new geo-political shifting movements.

In an era where information travels very quickly; where people have become increasingly more demanding and aware of their rights; where all types of frontiers tend to be torn down, it makes more sense that people take their own destiny in their own hand, and this is what Ergonocracy is all about.

Some people will see in Ergonocracy a dangerous regime that will kill capitalism; others will see in Ergonocracy the only mutation that will allow capitalism to survive.

The most important notion is that Ergonocracy will probably be the safest radical way to “conserve” the best of our “Old World”.

The following chapters incorporate the core models of Ergonocracy and the steps that must be undertaken in order to implement them. A separate analysis is done for each political, economic, social and judicial model. But first, in order to clarify some ideas, we will discuss how Ergonocracy sees human nature and we will also identify the most relevant human characteristics that were considered while creating these models.

2. Considerations about human nature

2.1 Characterisation

The economic and political systems that govern us have evolved from successive adaptations made to earlier status quo situations, but as one might expect, these systems are still encumbered with the baggage of past autocratic regimes. Thus, it is not difficult to conclude that they are not meeting the demands and expectations of modern human beings.

The time is right, therefore, to introduce changes, taking advantage of the multitude of information age tools now available to us. This is what Ergonocracy is all about: the design of a new regime. However, when a new model is created in any field of knowledge, we must first start with an analysis of the real characteristics of contemporary human beings, as it is crucial to understand the traits and the nature of those it is meant to serve.

Due to the fact that Ergonocracy models attempt to promote the best possible surroundings, or environment, for human beings to inhabit, it is essential to be aware of how modern man really functions, both at the micro level, i.e. in individual terms, and at the macro level, i.e. in sociological terms. This is the same type of approach a doctor would take. Firstly, he or she gets to know the patient and tries to identify the disease. Only then can the doctor prescribe the best type of treatment.

Here follows a summary of a man's principal characteristics, at least those likely to have the greatest impact on the definition of these models, as observed through the lens of

Ergonocracy.

It can be discerned that ...

- ... human beings are extremely adaptable;
- ... the real nature of human beings is nomadic and tribalistic;
- ... human beings are selfish, insecure and easily surrender to the temptations of corruption.

Human beings' polygamist nature will also be detailed, although this conclusion is not extremely relevant to define the political and economic models.

Ergonocracy sees human beings in this way for a number of reasons.

2.2 Human beings are extremely adaptable

This statement is broadly consensual and the conclusion unavoidable. Human beings are adaptable by nature, which is simultaneously our greatest strength and our most serious weakness.

It is logical to conclude that man is altruistic and behaves well if the environment that surrounds him and his life experiences generate feelings of fraternity, kindness and mutual assistance. This only occurs if the given environment possesses characteristics that allow people to coexist without reasons for fear, anxiety or anger.

Of course, the reverse is also true, that harsh environments tend to produce rude and hardened people.

If there is indeed a relationship between the nature of the environment and the nature of man, then an effort must be

made to modify man's surroundings. This tendency has been taken into account in the defining of political, economic, social and judicial Ergonocracy models.

Even though man is demonstratively adaptable, changes must be dealt with carefully. Man is biologically programmed to accept change, as he constantly seeks to improve processes and find better ways to solve problems. At the same time, however, man has a tremendous fear of the unknown, not to mention the well-known behaviours associated with resistance to change. This implies that all Ergonocracy models ought to be introduced in such a way as to be regarded as systems that will ease people's lives, not complicate them further.

The fact that man is adaptable brings up another concern. In defining Ergonocracy models, we have to take into account that from a very early age, human beings are extremely susceptible to the messages they receive. Education is therefore fundamental, being the foundation for all achievement. Also, even though they are highly adaptable, humans tend to be creatures of habit and routine, another reason why education is crucial, as these habits and routines should be established and guided from a very early age.

2.3 Human nature is nomadic and “tribalistic”

Another essential feature of human beings that Ergonocracy models consider being of great importance, is the fact that human nature is nomadic and “tribalistic”. This trait has been genetically programmed into human beings over the overwhelming majority of our evolutionary history.

Let's next discuss the concept of the enlarged tribe.

According to this concept, the greater the feeling of

identification amongst neighbours, the easier people will find it to integrate into a group or tribe. The sense of belonging to a group will be mutually reinforcing and bring benefits both to the individual and the community.

The implications of the concept of the enlarged tribe naturally led to the concept of the Global Community, which extends the concept of the tribe to all of a country's citizens. It also helped to engender the concept of Local Communities of Common Interest; the notion that each Local Community must organise itself as an independent and self-managed unit, much as if it were a tribe.

The concept of the enlarged tribe reinforces the theory that *Homo sapiens* is the result of a natural evolutionary process, in a constant state of change and adaptation to his environment. Indeed, we spent by far the longest period in our evolutionary history in a primitive environment, i.e. man was one among many predators, claiming predominance at the top of the food chain through use of intelligent and coordinated strength. During these ages, man assumed a nomadic lifestyle where hunting and plant gathering activities played a dominant role.

As this epoch lasted hundreds of thousands of years, it is natural to conclude that the traits acquired during this period were those that contributed most to forming the human temperament.

Although nobody knows exactly, the tribe - more precisely the nomadic tribe - on average could consist of between twenty to ninety people. It represented the centre of each individual's world and the only source of vital support available.

Some authors claim that during this era people started to implement some type of functional division of tasks between men and women, creating relationships in which the weakest

individuals could be assured of some support by the group. To be expelled from the group tribe would be, in effect, a death sentence, as an isolated individual would be vulnerable to the attacks of a rival group and, more importantly, would have to protect him or herself from other predators. Not forgetting the difficulties he or she would experience in obtaining food and shelter.

It is most likely that each member of a tribe experienced deep feelings of belonging to his or her group. However, this feeling of being part of a close-knit family differs completely from another type of feeling about family that would arise later. There were no specific unions destined to assure children's upbringing and education, because all children were part of the group and were therefore cared for by everyone. Every man would tend to act as if any child was his descendant and, indeed, this could literally be possible, as many authors believe that sex was practiced in an amorphous manner within the tribe⁶ and that there were no specific obligations among the members of the group, the natural exception being mother-child relationships.

The objective was the continuation of the group as a whole, not merely one's family lineage as later came to happen.

This resulted in continuous food surpluses, which meant that a significant part of the tribe's members started to have free time to apply to non-core activities.

For some, this consisted of spending time in leisure

⁶ *Although in some cases there are reasons to believe that only the dominant male could procreate as some jungle primate environments show us. With the discovery of agriculture, man eventually became sedentary, although this only happened during the last ten thousand years, a grain of sand in our evolutionary trajectory. During this time some gradual evolution occurred, notably the development of agricultural techniques and the creation of hand tools.*

activities, but others would dedicate their time to specific, productive activities. During this period, mankind saw the rise of craftsmen, healers and the first practitioners of witchcraft while, at the same time, trade and communication among tribes were spreading.

Now that groups of hunter-gatherers had transformed themselves into farmers, they discovered that they had lost the mobility they once had. Man had become sedentary. Now he had time to invent and discover, and to start looking for new ways to meet his needs. People began to gather in ever larger groups where the natural order of the tribe no longer worked. Previously, all differences had been resolved within a given family and monitored by the tribe leader and the elders. But the tribe had ceased to exist.

In its place, man saw the rise of permanent fixed structures, buildings, castles, and villages, along with a new breed of leaders who ultimately exercised distant, cold and self-interested power. These new bosses, protected by their castles and armies, forced the creation of a functional means of exchange, directly under their control.

Most individuals became sedentary and because they now lived in a fixed location, started building their own dwellings. Now the individual's social core was different, that role no longer being played by the tribe. This new trend resulted in family structure being reduced to its minimum social expression: the couple and their children.

The primary objective was no longer the survival of the group, but the continuity of one's lineage through the survival of the family unit. Man could no longer rely on the support of the group in raising his children, although in many cases there were places where children were cared for while parents were

working. These caretakers were often close family members, usually older relatives who were no longer physically able to contribute to the family by working in the fields.

The couple's relationship tended to become more durable as each couple had to take care of its own offspring. The male started to take direct responsibility in child raising, so he could no longer take the risk that these children were not his. Gradually, he became increasingly autocratic, using his physical supremacy to demand complete fidelity from his wife as a way of ensuring his offspring, as he could not afford to spend his energy on illegitimate descendants.

The male had a tough life, however, shouldering the burden of the harsher agricultural tasks as well as many other chores that required great exertion. Undoubtedly, additional help and labour was always welcome. More children meant a larger work force, which meant a larger area for production and increased productivity.

Furthermore, with the development of means of exchange, couples realised that the more children they had, the greater their security would be when they reached old age, as they no longer had the tribe to protect them. Thus, the population grew at an increasingly faster pace and soon the first civilizations began to emerge.

This trend toward a sedentary civilization was an inevitable and important milestone in our evolution. According to the enlarged tribe theory, this is a relatively recent process, which means that our present lifestyle - our modern ecosystem - is not in harmony with our real nature.

The conclusion is that because we have difficulty adapting to our new surroundings, living the way we do, produces harmful consequences at all levels and is responsible for much

of our anti-social behaviour.

Therefore, the obligation of “homo technologicus”⁷ is to attempt to return man to his origins by changing his lifestyle and environment so that, in behavioural terms, he functions as a member of a tribe. This means putting into place the concept of the Local Community of Common Interest, where each person has the opportunity to choose his or her type of neighbours according to shared interests and lifestyles.

In this way we can replicate a return to our roots, resuming and correcting our evolutionary pathway, which was interrupted with the advent of agriculture and a sedentary civilization. Ergonocracy models take into account these reasons and embrace the concept of mobility by promoting long-distance work models, when possible, and streamlining residential relocation procedures.

Following this line of reasoning, Ergonocracy rejects the concept of personal leadership, proposing in its place a model based on collective decision-making. The assumption is, also, that people will widely accept all decision-making mechanisms that resemble the practical, simple and direct application of power that occurred in most tribes throughout our evolutionary process.

⁷ According to science historian Yves Gingras, *the world in which we live is a product of human reason. It is the combination of technique and reason which gives birth to technology. Homo sapiens being homo faber; everything that surrounds him can only be artificial, that is to say craftwork. In this precise sense, the human animal is necessarily counter-nature, anti-nature, and the most paradoxical product of Nature. He has become, in sum, a homo technologicus.*

2.4 Human beings are insecure, selfish and easily corrupted

It is not difficult to allege that, generally, human beings are insecure, selfish and prone to corruption. Ergonocracy argues that all power exerts a bad influence on human behaviour. The individuals who hold it easily, succumb to corruption, which is one of the reasons why Ergonocracy proposes an innovative political model where all power is diluted and depersonalised, as far as possible.

Ergonocracy also places special emphasis on the historic origin of the concept of power and the notion of '*production means possession*', which helps to explain the desire for power seen throughout the enlarged tribe era. Many history books claim that human history is the story of the struggle for power, as this phenomenon is at the root of most events and changes. It is therefore of the utmost importance to understand what is behind the desire for power.

The common denominator for all power plays, in wars, "*coups d'état*"⁸, alliances, competition over commercial routes, empire formation, etc is the desire on the part of man or a group of men to attain power. Gaining and exercising power causes them to experience pleasure, as these two elements are related. Basic pleasure comes from the satisfaction of a need, which explains why power-seekers strive to demonstrate their superiority and dominance over others.

In this context there are many issues that are difficult to

⁸ *A coup d'état, or coup, putsch or overthrow, is the sudden unconstitutional deposition of a government, usually by a small group of the existing state establishment - typically the military - to replace the deposed government with another body; either civil or military.*

understand: why do individuals, who are already multi-billionaires, keep up their constant struggle to add to their already over-stuffed bank accounts? Why do all powerful men continue to strive to enlarge their domains?

The answer to these questions is subjective, though many complex explanations have been proposed. The fact is, for these kinds of men, power and the feelings it generates have become addictive⁹, so these individuals feel a real need to acquire and exercise it. The big question is: where do these needs come from?

Many reasons can be considered:

- A hunger for aggrandisement, including the desire for social advancement;
- The desire to be admired or to prove something to others;
- The desire to have more money, more assets or land; and
- The desire to have more power.

Besides unconscious desires, other reasons for power-seeking have to do with one very important aspect - fear:

- The fact that having more power provides a false (or real) sense of security and confidence in the future;
- Fear of leaving the limelight and losing one's reputation within one's peer group, including the fear of aging.

Other power-seekers overestimate their capacities and truly believe that they are the people best suited for the mission. Still

⁹ *Since power attracts power and money attracts money.*

others firmly believe that they are working to satisfy the aspirations of their support group.

Although each case is different, many will agree that power is not an end in itself because it appears that most of those who hold it, are rarely able to take pleasure in their possessions and achievements. In some cases, this leads to feelings of disillusionment, although many power-seekers knew all along that this would happen when they made the decision to seek power. So, what is behind this ambition?

Above all, it should be noted that each human being is aware of his or her pettiness, fragility and mortality. Seeking power in all probability meets a subconscious need to compensate and take control over events. It represents a vain attempt to feel less vulnerable. In this way man at least has the illusion of overcoming his own mortality, as if to say: “Sure, we are weak, fragile and on our way to death, but still, I am the strongest”.

This sense of fragility that we all feel is due to our fear of disease and death, which explains why many people try to deal with this anguish through the “aspirin of social ascension”, or the desire to show others their power and their wealth.

We now find ourselves at a stage with which proponents of Ergonocracy take issue. This involves the appalling behaviours as snobbery, vanity, greed, pride, elitism, hooliganism and extreme forms of fleeting gratification that characterises the quest for power. Regrettably, power-seeking is also associated with creating façades, of favouring appearance over substance.

The most ignoble of these people are those who, instead of trying to evolve, prefer to diminish others so that they can stand out. Some people call this behaviour levelling down, because it is easier to do than working towards a positive,

personal goal. This is the so-called “crab”¹⁰ effect, which is all too common and is arguably one of the worst forms of selfishness.

Each human being feels the world through his or her own senses and, like all living creatures, we are locked inside our own bodies looking out at the world from our own unique perspective. We are equipped with a well-honed sense of survival, which makes us selfish, self-centred beings, even though we do possess social skills and the ability to work in teams. This natural tendency to be egocentric leads us to conclude that all environment models should oppose this trend by promoting mutual co-operation that benefits both the individual and the group.

However, these models can never rely on a natural tendency in human nature to co-operate. Human beings will only do so if they feel they have something to gain. We must also remember that mankind is weak when confronted with opportunities for corruption. This, among many other reasons, is why we should promote the concept of dilution of power and endorse collective decision-making processes.

A factor which apparently seems to be an exception to this rule involves competitive activities, which should be fostered, since competition allows people to get rid of excess energy and negativity. People who do not have the opportunity to consume their accumulated energy, tend to be aggressive and competitive in their relationships with others.

¹⁰ *Author's Note: if we place multiple crabs in a bucket, we can observe that if one tries to move his legs upward with the intention of climbing out of the bucket the others pull him down, preventing his escape. It is not known whether they are trying to take advantage of their partner's momentum and join him in the escape or if they want to prevent their partner from climbing out.*

Therefore, we can deduce that if an individual is successfully integrated within his or her “tribe” and if there are no reasons for fear or anguish about health or the future, his or her primary needs will be reduced and he or she will opt not to pursue power in order to reduce the chances of starting conflicts with his or her peers¹¹. All models must therefore bring about the integration of the individual within the group.

Another logical conclusion is that it is crucial to create a system that is correctly protected in order to prevent corruption and malicious practices, reducing or eliminating all personal mandates.

2.5 Human beings’ polygamist nature

Our polygamist nature derives from our past

Human beings have spent the most significant period in their development - sixty thousand years – in nomadic tribes where polygamy was practiced. This is one of the most important reasons why we say that our true nature is, in fact, polygamous, and not monogamous¹².

The monogenic way of thinking came about with the need to maintain family stability and occurred more or less at the same time as human beings adopted a more sedentary lifestyle with the advent of agriculture, that is, in the last ten thousand years.

¹¹ *Although there might be a fringe of individuals who have this latent requirement.*

¹² Monogamous nature is the natural tendency to practice or condition of having a life of a pair; single sexual partner during a period of time or even for the breeding.

Monogenic behaviour is a constructed social concept

In social terms, over the past two or three thousand years, the historic legacy of human kind in terms of monogenic behaviour is yet another example of the selfish and irresponsible actions of all past regimes for whom it was convenient to divide populations into small nuclei families.

In fact, even though monogenic behaviour is against our nature, it has been encouraged in most human societies over time, since it helps to stabilise societies, to encourage the growth of populations and, ultimately, to facilitate the acceptance of ruling powers.

It is necessary to try and explain our behaviour and our path, with the final goal of understanding who we really are, why we are this way and what type of Ergonocracy future models will be most suitable.

Our distant past - when man became sedentary

Primitive tribes used to practice polygamy at one time, but with the discovery of agriculture, man eventually became sedentary. Subsequently, populations became fixed in small, scattered locations and the traditional tribe was split into the basic family unit. This represented a substantial change in the existing paradigm. However, there are still a few traditional societies that practice polygamy and polyandry¹³ under certain conditions.

When the first buildings were erected immediately after the advent of agriculture, nomadic tribes that had previously

¹³ *Polygamy is the form of marriage where there is more than one wife (polygyny) or more than one husband (polyandry).*

shared their belongings, and the raising of children, evolved into small, slowly growing villages. Up until this time, children knew who their mother was, but not the identity of their father, except that he was one of the men in the tribe. This strong tendency toward promiscuity can still be seen today in certain primate communities. With agriculture and sedentary life, however, tribal members became less attached to their communities, as everyone began building his own home and a new basic nucleus was formed - the couple.

This contributed to a growing tendency for relationships to become more stable, since both members of the couple now had to shoulder the burden of raising their own offspring. These radical changes, therefore, gave rise to a new form of society in which the core was now the family, an invention of the sedentary era. There were advantages for both sexes:

- For women, this change had the benefit of ensuring permanent help and support in the process of raising the children;
- For men, this change allowed them to ensure that their offspring were, in effect, their own. This was a crucial factor, considering the enormous burden represented by each child.

This is why many cultures find it acceptable for men to have several wives, but not vice-versa.

The fact that men needed to ensure that their offspring were really theirs has led to feelings of both belonging and of jealousy. It is clear that this process took place over a period of many thousands of years. Now that it has become possible for men to confirm the true origin of their children, a very recent

technological option¹⁴, these feelings will probably tend to diminish in the future.

In addition, there is another factor to take into account: certain authors believe that the practice of polygamy occurred during our nomadic tribal stage as an extremely useful tool for replenishing populations that suffered frequent casualties. Survival during these times was not an easy undertaking, as man faced innumerable difficulties linked to food gathering, natural disasters, bloody battles with other groups, a high mortality rate due to the lack of medical care, a high infant mortality rate, etc.

It is not difficult to conclude that polygamy, as practiced by our respectable ancestors, explains the modern tendency toward macho behaviour which persists, even in the face of severe criticism.

Human beings should acknowledge and recognise their polygamist nature

If human beings acknowledged and recognised their polygamist nature, people would end up living their lives differently. This would have the following advantages:

- It would make community social life more transparent and less stressful for most individuals because people would no longer have to hide their behaviour or reject their strong natural instincts and impulses to procreate;

¹⁴ *Parental testing is the use of genetic fingerprinting to determine whether two individuals have a biological parent-child relationship. A paternity test establishes genetic proof whether a man is the biological father of an individual, and a maternity test establishes whether a woman is the biological mother of an individual.*

- Human beings would ultimately suffer less and would live together with more transparency and respect. The problem is that, emotionally, people experience feelings that they cannot control. Human beings permanently live this conflict. On the one hand, we have our evolutionary inclination for strong sexual instincts and on the other, our powerful minds that constantly betray and limit us. Our emotional side is at war with our rational side - impulses pitted against reason;
- Accepting our nature would provide a clear statement of protest against the lies and deceit that are part and parcel of many social institutions, such as marriage, where unions are often maintained for reasons that have nothing to do with the love between a husband and wife. These include financial dependence, fear of reprisals, or fear of losing the custody of a child. In all societies, these circumstances constitute a daily torment for a great many couples;
- Recognising our true nature would represent a welcomed return to our tribal origins and constitute another step toward easing the implementation of all other Ergonocracy models.

Monogenic life is unnatural and implies consequences, such as betrayals

In all recent or past societies where marriage has represented the social standard and where people have been expected to live together in monogamist relationships, a high percentage of extra-marital relationships have always occurred, obliging the people concerned to live double lives with all of the associated theatrical drama.

Our need for and pursuit of extra-marital relationships is largely due to the demonstrable fact that, in human beings, sexual desire is directly linked to the sense of curiosity and discovery that sets our species apart from others.

We are talking about the constant pursuit of novelty, new sensations and pleasure in taking risks. It is apparent that many people find it extremely exciting, not only to be with their lovers, but also to experience the thrill inherent in the risk of getting caught. This desire is especially heightened when a couple is preparing to have extra-marital sex for the first time. These characteristics are highly contradictory to a monogenic way of living.

Another important factor is that everyone needs to be convinced that he or she is still appealing to and appreciated by other people.

Of course, it is clear that there will always be people who sincerely prefer traditional monogenic relationships. What we can designate as pure monogamy is the preferred option of those who would never betray their partners. Although this type of behaviour is not innate to the animal order to which we belong as a species - primates¹⁵ - it nevertheless exists.

The reality is that couples in a long-term relationship invariably reach a point where they experience a certain tiredness and lack of excitement. This is due to the absence of novelty and to the boredom of our daily routines. Many

¹⁵ *A primate is a member of the biological order Primates, the group that contains humans, prosimians (including lemurs, lorises, galagos and tarsiers) and simians (monkeys and apes). Richard Wrangham stated that social systems of non-human primates are best classified by the amount of movement by females occurring between groups and he proposed four categories: Female transfer systems, Male transfer systems, Monogamous species and Solitary species.*

couples in this situation find it extremely difficult to resist the temptation to cheat on their partners, although many end up doing so out of loyalty, the fear of getting caught or getting sick (venereal diseases) - or due to a lack of courage or opportunity.

The most precious principle underlying Ergonocracy models is freedom, which includes all types of freedom. The greatest enemy of freedom is deception, which keeps us in a permanent state of castration and misapprehension. Both parties, the deceived and the deceiver, lose in this process. The problem is that it requires courage to overcome the temptation to lie. The person who manages to do so trusts in the notion that the long-term benefits will outweigh the immediate short-term gain. Deception is the option of the weak and ignoble. Someone who has to lie to achieve a certain goal is no more than a slave, one who possesses neither freedom nor self-esteem.

Nobody is perfect

Most people who live as couples like living with their mates. However, this does not necessarily mean that, from a sexual point of view, the mate is the right person. The reverse is also true - a person might have a lover with whom he or she enjoys practicing sex, but may still know there is nothing more to the relationship. This obvious fact is not necessarily a contradiction.

In essence, sex should be seen as just one more source of pleasure. We must realise that it would be a great coincidence if our partner in life were perfect in all respects. In real life things do not often work out this way, as most people are multi-faceted. Our mate is simultaneously a lover, a friend, a partner in the creation of children, an economic and work partner and

someone who understands us, encourages us and advises us. It is nearly impossible to possess all of these qualities and simultaneously to be a good lover. Nobody is perfect. Thus, only by coincidence and extreme good luck will we find someone who meets all these types of distinct criteria.

In the rare cases of couples who are truly in love, time is their worst enemy. This also helps us to defend the notion that each person should assume his or her needs as something natural and instinctive, without shame, as we were born with the instincts inherent to our species. Furthermore, both partners should accept this and talk about their secret desires.

In summary

For all of the reasons stated, it is elementary common sense that human beings are not monogenic by nature and that monogamy is, in fact, a social invention imposed over time through tradition, having been gradually incorporated by almost all cultures and civilizations. Monogamy became accepted as something natural and instinctive when, in reality, it is completely unnatural and an endless source of human suffering.

Taking into account that the modern social status quo is a result of the legacy left behind in the habits and traditions of previous generations. Monogamy is not an innate human behaviour. It is in this context that we conclude that monogenic marriage is a social invention, convenient for ruling powers and religions, and that due to the fact that it conflicts with our real nature and needs, causes us serious social problems.

With that in mind, what recommendations should be made? Actually, all we can do is emphasise that people should be truthful with themselves and their partners. At the start of each

relationship people should sit down and define the type of relationship that both intended to have and which possibilities would or would not be accepted.

Consequently, any proposed social model should take this into consideration and give everyone the opportunity to maintain the type of relationship best suited in each case.

2.6 Conclusion

Human beings are extremely complex. An exhaustive investigation of their characteristics at this point would not only be tedious, but in all probability superfluous for the purpose of this analysis, which, consists of identifying only those human characteristics most relevant for recasting models to be built from scratch in accordance with Ergonocracy principles. As a matter of fact, the three characteristics previously described are not the ones that best define human beings. However, they are the traits that are likely to have the greatest impact on the building of Ergonocracy models. It is of particular concern that no observable structural measures are being taken in today's society to prevent corruption and malicious practices. It would appear that politicians have no interest in ending this state of affairs, as such measures would not be accepted within their core group, the "good old boys network", whose motives are generally opportunistic in nature.

Others will say that this is a small price to pay to be able to live in a democracy, arguing that these costs are shouldered by a multitude of citizens and therefore do not affect any one individual in a serious way. However, the analysis of this issue is certainly more complex than these merely speculative observations.

For the same reasons we see that little or nothing is being done to simplify all of the enormously disturbing and intentionally complex judicial law codes. Some cynics say that lawyers profit from this “status quo”, since they are able to specialise in very detailed areas. This specific, detailed knowledge is extremely valuable and in high demand.

Others will add that the more complex and ambiguous the laws, the more likely it is that a guilty person can find a way to escape unscathed in a trial, provided he knows the right people and is able to afford the right lawyer.

Still others claim that this order of things only persists because these guilty gentlemen “play on the same team” and attend the same social functions as their friends, decision-makers and political representatives.

These are merely a few examples to show that we have created a decadent society, whose foundations originated in an era where the flaws could go undetected. But in the information age, news travels fast. Common citizens have become more knowledgeable and there are huge waves of intolerance towards traditional representative political attitudes.

Among the conclusions that we might accept, the most important are the following:

- Human “tribalistic” and nomadic nature, which developed over most of our evolutionary period. The practical implication of this lies in the fact that we must create a model that facilitates the mobility and integration of citizens within their communities, so that they can feel as if they identify with these communities;
- Besides, if an individual is successfully integrated within his or her “tribe” and if there are no reasons for

fear or anguish about health or the future, his or her primary needs will be reduced and he or she will opt not to pursue power in order to reduce the chances of starting conflicts with his or her peers. All models must therefore bring about the integration of the individual within the group;

- Another logical conclusion states that it is crucial to create a system that is correctly protected in order to prevent corruption and malicious practices and this can be achieved by reducing all personal mandates;
- We also concluded that Ergonocracy rejects the concept of personal leadership, proposing in its place a model based on collective decision-making. The assumption is, also, that people will widely accept all decision-making mechanisms that resemble the practical, simple and direct application of power that occurred in most tribes throughout our evolutionary process.

These conclusions will be taken into account in the construction of the Ergonocratic models. However, Ergonocracy is not intended as a panacea that will solve every problem, nor does it seek to preach moral superiority. On the contrary, according to Ergonocracy, we do not have to be afraid to see ourselves as we really are: inconsistent, emotional, weak and selfish, but at the same time intelligent, capable of grand achievements and enormously adaptable.

It is also believed that, in the right circumstances, mankind is capable of working towards a global spirit of brotherhood. Nonetheless, the environment that surrounds us will have to help, which leads us to a discussion of the four basic Ergonocracy core models: political, social, economical and judicial.

3. The Ergonocracy Political Model - The Global Community

3.1 Characterisation

The context in which Ergonocracy's political model is presented relies on the observation that most citizens demonstrate no fondness for ideologies and find it increasingly difficult to situate their logical viewpoints within the traditional right or left on the political scale.

Besides this, apart from a few rare cases, the majority of our international leaders show an enormous lack of talent, charisma and vision for the future. This has helped engender a growing feeling of disillusionment. There is also widespread pessimism regarding issues of political influence, as well as distrust in decision-making processes at the highest levels. Politicians seem to show no concern for citizens' views, finding grass-roots involvement processes complex and boring. In practice, citizens are treated as if they were spoiled children, to be consulted on a "need-to-know" basis except during election campaigns when candidates vie with each other to demonstrate their respect and affection for the common man.

In addition, as we have seen before, today's political regimes can be seen as a patchwork of laws and systems forming our historical heritage, when changes occurred that were originally designed to solve problems specific to a given era. This highlights the notion that current regimes are clearly unsuited to the needs of 21st century citizens, creating an ever-widening gap between citizens and institutions.

Concerning public services, the Ergonocracy political model seeks to change the status quo by presenting a new paradigm based on the concept of direct and participatory democracy. In this new model, the “democratic representative” is eliminated so that no more blank cheques need to be handed over to intermediaries. Why do we need intermediaries if people are able to make their own decisions? Why do we have to believe political promises if rulers have clearly demonstrated that they do whatever they want once they have achieved power? In theory, democracy allows us to hold our leaders accountable for failures in governance, but in practice, they never seem to pay for their mistakes and offenses. The worst that can happen is that they lose the next election.

This is why the Ergonocracy political model defends the abolition of all positions of personal power. Instead, executive power should be assumed by private service Concessionary Companies chosen publicly through public procurement. This will involve a ‘request for tender’, commonly abbreviated to RFT, where the final decision will fall to the citizens. The same procedure will be followed for each of the previously defined Public Functions.

The activities of these Concessionary Companies could be spelled out in the form of well-defined mandates and clear objectives, previously decided on by citizens in the public procurement phase. Later on, these companies could be rewarded by their contract being extended, or punished by its cancellation.

This new economic model works particularly well if we examine how it already functions in small-scale companies that are run by direct partners whose style is characterised by

considerable flexibility¹⁶.

The resulting type of political organisation will not exist in a physical sense, i.e. it will have no permanent structural layout. Rather, it could consist of a network of companies instructed to provide and carry out all necessary public activities related to each Public Function, controlled and monitored in real-time by any citizen.

This model, therefore, is based on the concept of universal democracy, divided into two paths, participatory and effectiveness, and is characterised by a paradigm whose aim is to reflect mankind's true nature. The objective is to leverage the information technology that is available in our era and use it to empower each citizen so that he or she can vote and participate directly in local and global communities. Each citizen could also participate in the process of choosing a Concessionary Company that will take a purely technical and rational approach to the implementation of decisions.

3.2 Underlying principles

Firstly, we should understand the basic principles that are at the origin of the Ergonocracy Political Model.

The principle of equality and human rights

As a starting point, Ergonocracy supports the values and principles of equality and non-discrimination that have been well established in traditional Western democratic societies since the French Revolution¹⁷.

¹⁶ As we will further discover, these companies are limited to a maximum of 20 members.

¹⁷ The French Revolution inspired the Declaration of the Rights of Man and of the

But the French Revolution stopped abruptly at a certain point, due to the Revolution's own dynamics, to the greed of certain rulers and also because they didn't have the technological tools that we have today. Thus, Ergonocracy seeks to go further by defining more advanced frontiers with the use of IT and creating conditions in which humans can live in accordance with their true nature. As previously mentioned, this is the origin of the name "Ergonocracy".

In addition to safeguarding the principles of freedom and equality before the law, inalienable defense of private property and the right of resistance to oppression, Ergonocracy adds the following concepts: dilution of power, direct democracy (legislative power), concessionary companies that will run each pre-defined public function (executive power) and the prohibition of economic exploitation of man by man.

With regards to the principle of fraternity, Ergonocracy supporters believe that a genuine and effective application of this principle can only be implemented in the Ergonotopia utopian stage, which will be explained in a chapter further on.

The principle of corruption

An act of corruption is nothing more than an undue "purchase of power", to the benefit of both parties; the corruptor and the corrupt. Ergonocracy argues that power exerts a negative influence on its possessors, who have a difficult time avoiding the temptations of corruption. This is not a digression, it is merely a conclusion supported by facts that have been documented since the invention of writing. This

Citizen which was adopted on 26 August 1789, by the constituent Assembly of the Paris commune in the French Revolution's initial context based on the famous motto "liberty, equality and fraternity".

phenomenon has been observed constantly and systematically in all societies and cultures and in all eras, including the Western democracies of the 20th and 21st centuries. It is therefore a global and transversal condition that occurs in both democratic and autocratic states, in rich and poor countries. However, it is recognised that in democracies, there is theoretically greater modesty and control over power compared to autocratic regimes, which are far worse.

In all democratic countries, power is assigned through electoral processes to so-called citizens' "representatives". These individuals hold powerful, decision-making positions and once they are subjected to the "poison" of temptation, they rarely find the strength to resist the pressure inherent in this decadent system.

There are other undesirable phenomena which dangerously stretch ethical boundaries. These include the worship of powerful positions and the exchange of favours in complex contexts. The only limits are those imposed by the personal ambition of the "representative" and his political group.

The consequences of corruption, with its accompanying economic and social costs, are admittedly harmful at all levels. The concept of citizenship is undermined and the principle of equality is subverted so that citizens are subconsciously divided into two large groups:

- Those who can pay and have the necessary contacts to ensure the services of corruption;
- Those other citizens who have no choice but to endure the less successful and usual, twisted procedures that end up being unsuited, complex and time consuming.

This principle of power corruption is often associated with

two other principles:

- The principle of how the environment is adapted to the individual - it seems evident that the political system should, as far as possible, be designed to ensure adequate protection against the obvious weaknesses to which politicians are prone. The system should have safeguards in place designed to deter attempted bribery, the only effective way to assure this goal being to avoid entrusting decision-making power to individuals. In this way, corruption will not be so attractive and the representative will not be subjected either to the pressures of temptation or to the temptations of pressure. Given our human weaknesses, both the system and the individual will thus be protected and our true, imperfect nature accepted;
- The principle that recognises the fact that power should not be individually exercised. The Ergonocracy model argues that there should be no personal posts, but rather one collective board - the Arbitral Council - composed of twelve members whose mandates will have a time limit and an internal rotating system.

Corruption is not a phenomenon exclusively connected with power positions. In effect, many times low ranked clerks have the chance to speed up or slow down the pace of a file's resolution according to their "client's" request and purpose.

The principle of total citizens' sovereignty

The proponents of Ergonocracy believe that citizens are intelligent enough to decide their own destiny and that their decisions should be direct and sovereign. The presence of intermediaries for this purpose is not only redundant, but

completely unnecessary. In addition, most of these intermediaries are incompetent or malicious. Thus citizens are faced with an additional threat to their future and their security, as political promises are rarely kept once the election is over. Politicians routinely disrespect their own electoral programs, merely tricking voters into believing the illusion of promises.

The principle of information technologies

Taking the power away from “representatives” implies transferring it to citizens, thus eliminating the concept of representative power.

So that we are able to achieve this, the political system will have to be redrafted in order to equip citizens with effective decision-making capacities to be exercised whenever they wish to participate in this process. For this purpose we are fortunate to be living in a privileged era: the era of information technology, which allow us to utilise these technologies simply and effectively¹⁸.

The principle of total transparency

Ergonocracy defends the notion that all political mechanisms must be transparent and flexible, arguing that all citizens must have direct access to all public processes. This requires all public entities to disclose their actions and activities online.

The principle of direct accountability should co-exist along with the principle of total transparency, applicable to activities

¹⁸ We will later describe a possible enlarged Community Web Portal layout, which would be accessible via the Internet after proper authentication of the citizen, where these options are available.

that are carried out by each Public Function and all its sub-functions. It will also refer which Concessionary Company will be responsible for each action or activity. This information must be published on the Community Web Portal along with the name of the person responsible and his or her substitute in case of absence. This is helpful, for example, in case of an accident or serious malfunction of public infrastructures. In this way, the person responsible for conducting maintenance and ensuring that these public assets are in good working condition can be quickly and easily identified.

The principle of law simplification

This principle recognises that rules are unavoidable, but they should be briefly and concisely drawn up and widely disseminated. Additionally, it stipulates that all questions posed by citizens must be answered within two business days.

The principle of maximum individual freedom

One of the most precious concepts of Ergonocracy is the principle of maximum individual freedom. In theory, freedom should be total. However, this is impossible due to the fact that we all have to coexist and it is a well-known fact that in the exercise of individual freedom, we may end up infringing on other people's rights.

It is in this context that the principle of Local Communities of Common Interest was created, as will be further explained in another chapter. Among many conclusions, it states that our individual freedom will be greater if our level of integration and identification with our neighbours increases. If our preferences and behaviours are similar, there is less risk of disruption.

Therefore, it is logical to conclude that it is the political system that should be molded and adapted to the needs of the individual and not the reverse. The system should be organised in such a way as to maximise the freedom of each individual and therefore enlarge the efficiency and the happiness of the community as a whole.

This is why we accentuate the importance of the principle of the rejection of a sedentary nature¹⁹, which highlights our nomadic and tribalistic nature.

Ergonocracy is part of an entirely liberal world and aims to indicate the path to a society where individual freedom - including extreme rights²⁰ - will not be constrained. To apply this concept, the project would have to be inserted into a gridline agreement, which must be subjected to the scrutiny of a qualified majority of citizens. For this purpose it is essential that society as a whole reach a high level of maturity.

Some liberties are impossible to implement in Ergonocracy models, such as the freedom of an individual to choose not to be a virtual slave of his or her own labour. In fact, when an individual is forced to work in exchange for a regular income that he or she spends on meeting basic survival needs, this person is giving up a fundamental freedom of choice - the choice of how this person wishes to spend his or her time. However, it must be acknowledged that only a highly efficient and productive society will be able to succeed in implementing

¹⁹ *Explained later in the chapter dealing with the social model – the Local Community*

²⁰ *Taken to extremes, the concept of total individual freedom can be applied in many areas, including freedom of expression, freedom of consumption, the right of possession, the right to assisted suicide, the right to assume all kinds of personal risks, the full right to apply public physical expression, the right to choose any architectural style, etc.*

this kind of freedom, which is utopian in nature²¹.

3.3 Players in the political process

The participants in the political process are the following:

Citizens ...

Citizens are the “clients” of this system and they’ll participate in several ways:

- They vote for all Global Community laws as well as all electoral processes in order to choose each Concessionary Company for each Public Function;
- They vote for all Local Community laws and participate in all electoral processes for the choosing of their local Concessionary Company;
- They vote to choose the Arbitral Council’s members;
- Finally, they propose laws, participate in enforcement and control, identify problems, propose solutions, etc.

Concessionary companies ...

The Ergonocracy political model establishes that executive power should be monitored by all citizens, although for operational reasons, this process will be delegated to the so-called Concessionary Companies directly elected by citizens’ voting via the Community Web Portal. Any given electoral process will be supported by an open request for tender, commonly abbreviated to RFT.

²¹ *This utopian nature is described later on in a chapter dedicated to Ergonotopia.*

Concessionary Companies are service companies with profit-making interests. For each of the permanent Public Functions, one Concessionary Companies will be chosen to implement the political program (agenda) previously presented to citizens; although each law will have to be separately voted on.

This political program (agenda) could consist of each Concessionary Company's response to the RFT and will have to take into account the required specifications originally defined in the aforementioned RFT. In its political program the Concessionary Company will not only respond to RFT specifications, but could choose to include other features to add value to its candidacy.

The Concessionary Company that is "elected" will have to undertake the previously defined Budget Plan necessary to accomplish the RFT requirements. Among their assignments, Concessionary Companies will have to allocate and manage all available resources and should also supply detailed technical plans and proposals for legislative options.

Applying a somewhat rudimentary analogy, the activity of these Concessionary Companies could resemble traditional condominium management companies, although the scope and complexity involved in the management of a Public Function is, of course, much more intricate. However, the similarity rests in the fact that both companies manage the so-called "common public property" through an assigned mandate decided by citizens in order to put a specific program into effect.

Each Concessionary Company will have the responsibility to manage another RFT process type - to choose each Sub-Concessionary Company that will execute each task (sub-functions for all operational activities).

It is important to clarify that the “modus operandi” of Concessionary Companies has nothing to do with ongoing practices carried out by public-private partnerships²², as the idea is to hold the Concessionary Company fully responsible for its decisions and make it share in the normal entrepreneurial risks.

The Arbitral Council

The Arbitral Council is the only elected collective board and is composed of twelve members who will mainly hold arbitral power and assume following responsibilities:

- Serve as a moderator in the legislative elective processes in case of controversy or disturbance;
- Hold emergency meetings in times of crisis to resolve sensitive issues and apply the resources most appropriate to the situation, including defining which concessionary company²³ will be responsible for a given dubious issue;
- Receive all complaints which would be further addressed by the competent court²⁴;

²² *It is a widely used method in some Western countries, occurring in many sectors, such as Health, in which a kind of private management of a hospital is implemented. It also occurs in highway construction and in the gaming industry, where a private company operates and manages a particular casino, in exchange for an obligation on the part of the concessionaire, which could be the payment of fees, compliance with community service, etc.*

²³ *When there is a sudden need to create a new and intermittent Public Function, the Arbitral Council has the duty to define which Concessionary Company handles the case. Furthermore, the Arbitral Council has to authorise the increased costs and budgetary allocation.*

²⁴ *The Council Co-ordinator will assume the responsibility of receiving foreign heads of State according to official protocol, assuming the role usually taken on by the Head-of-State.*

- Organise receptions for foreign dignitaries;
- Control and monitor secret services;
- Coordinate elections to choose the Concessionary Company for each Public Function;
- Monitor in detail each Concessionary Company.

A detailed analysis of this last assignment highlights the fact that the mission of Arbitral Council members will be to supervise each one of the ten Public Functions²⁵, which can be distributed via a random process or agreement among members. Thus, each Public Function and its respective Concessionary Company will be controlled by one of the members of the Arbitral Council, which will act as a kind of high-level administrator. Among their duties is the obligation to regularly raise questions with their Concessionary Company with particular attention to the sub-concessionary's hiring processes and management activities.

Regarding the other two remaining council members, one of them could work as a Council Coordinator, assisting other members with the more delicate issues, while the rest will exercise the function of Deputy Coordinator, assisting and substituting for the Council Coordinator and accumulating the functions concerning the Council's routine activities.

All of these twelve positions should be rotational in nature, even those of the Council Coordinator and the Deputy Coordinator. This means that every three months all members will exchange functions and responsibilities, implying that each Concessionary Company could have a new "Administrator",

²⁵See chapter called "Permanent Public Functions"; in the exceptional case of the Public Functions "Controlling Entities" the council member will have to divide his attention among the three companies.

this measure being justified in order to prevent people from stagnating in their positions. In fact, personal relationships could be built along the way that may lead to a decrease in member surveillance.

Each Local Community should question its citizens to decide whether the community should present a candidate to the Arbitral Council.

In the event they decide to do so, the next step could consist of establishing an electoral process for the choosing of their candidate, although these would need to supply proof of a clean criminal record. Any local citizen could apply to become a candidate upon submission of an application. All candidates should be at least 55 years old in order to be allowed to apply for the post, the reason why many Proponents of Ergonocracy call this group the Council of Elders. This is one more example of how Ergonocracy's political model demonstrates respect for the accumulated experience of its senior citizens and acts in harmony with the best ancient tribal practices, using mechanisms that were patiently honed over the millennia by a process similar to natural selection.

After choosing their representative, the Local Community will be responsible for inserting this information onto the Global Community Web Portal, stating the reason for the person's candidacy. From this moment on, he will integrate a list of people intending to become a member of the Arbitral Council.

Then, on a predetermined day, all citizens will be invited to vote for members of the Arbitral Council, choosing among the referred list three candidates. They will assign three points to their first choice, two to their second and one for the third choice. The twelve candidates who received the most points

will occupy the twelve Arbitral Council posts.

All Council members will have identical status and power regardless of the number of points obtained. The Arbitral Council will have to be renewed every year in a new election and members will be barred from performing functions for more than four consecutive years.

Controlling Entities

One of the most critical of the checks and balances built into the system is carried out by specific Concessionary Companies, designated Controlling Entities, whose mission is to detect acts of corruption and deviation from defined processes.

Like all other Public Functions, the assignment of these concessions will also be done via public tender and citizens would have the final word in the choice. The only difference is that this is the only area in which, instead of a single incumbent Concessionary Company for the same Public Function, three different companies will be chosen.

For each of these three companies - Controlling Entities - no specific assignment areas will be defined, as each company will be authorised to investigate whatever the company's leading members decide.

In fact, none of the three controlling entities will know what the other two are investigating. This will dissuade potential corruptors by making it useless to corrupt a given Controlling Entity, as nothing will prevent the corruptor from being investigated immediately afterwards by another controlling entity. Moreover, the controlling entities may look into each other's past activities, though not their current ones so that healthy competition may occur.

The object of investigation is global in range. All Concessionary Company behaviour, including that of Sub-Concessionary Companies, can be extended to specific monitoring activities such as the food served in restaurants. In its investigative actions, Controlling Entities can follow clues or proactively promote their own research. Although it may not seem very ethical, nothing prevents Controlling Entities from making monetary agreements with complainants in exchange for evidence and information that leads to convictions.

The mission of these Controlling Entities is to find the maximum number of irregularities as possible. This could be the outcome that citizens value most and thus, the chances of the concession being renewed in future elections will increase. In addition, the more irregularities detected, the higher the income received by these Controlling Entities, this being a percentage of applied fees and penalties.

In fact, all revenue obtained by Controlling Entities could come from the discovery of irregularities, especially if they manage to discover and prove cases of corruption. This way the public treasury of the Global Community will not spend a penny on this service. Besides, these funds will only be delivered to the Controlling Entity after heavy fines had been paid by the offenders, who could choose to pay all fines voluntarily or take their chances in court where they could run the risk of having to pay much higher fines if they lose the case.

3.4 Legislative power

The Ergonocratic political model, in terms of legislative power, defends the notion that all power should be diluted and exercised directly by each citizen, who votes directly through a

portal that consists of an electronic internet platform called “Community” Web portal²⁶, described in detail in a later chapter.

All kinds of laws and decisions are to be voted on and the task of proposing new laws or change existing laws should be assumed by everybody, citizens and Concessionary Companies alike.

3.5 Executive power

Executive power involves the practical implementation of laws approved through the legislative process. Traditionally, in western democracies, legislative power is exercised and approved in parliaments, while executive power is exercised by elected governments.

According to Ergonocracy, citizens hold legislative power and make decisions through the Community Web Portal; executive power could also be wielded by citizens via Concessionary Companies - chosen directly by the voters - and also Sub-Concessionary Companies. These companies will carry out decisions previously made by citizens.

As stated before Concessionary Company activities could resemble those of condominium management companies, although the scope and complexity involved in the management of a Public Function is, of course, completely different.

²⁶ *Before entering the portal the citizen's identity should be duly authenticated via user/password.*

3.6 Community Web portal

The Community Web portal is a crucial element in Ergonocracy's political model and in the functioning of the three powers, Legislative, Executive and Judicial. It will be through this portal that all interaction between citizens and Public Function Concessionary Companies take place. Although it is the only available interface, it will permit contact by various means, including telephone, computer, or video conference.

Anyone who is familiar with Internet use can easily imagine how such a Web portal could work.

Regarding the structure of the Community Web Portal, here is just an example of what kind of main links could appear on the home Web page:

- A) Alerts, messages and personalisation²⁷
- B) Personal citizens' affairs and relations with Public Function services
- C) Global Community affairs
- D) Local Community affairs
- E) Judicial affairs and trial monitoring
- F) Indicators, research and studies

The following paragraphs provide a brief account of the first level entry of each of the abovementioned main links:

²⁷ *Personalisation involves using technology to accommodate the differences among individuals. Once confined mainly to the Web, it is increasingly becoming a factor in education, health care (i.e. personalised medicine), television, and in both "business to business" and "business to consumer" settings.*

A) Alerts, messages and personalisation

This tab automatically shows an alarm in case of alerts or new messages; it can be customised to send warnings to other devices (mobile phones, for example,) or to state that some alerts remain to be seen:

- New messages (unread)
- Sent messages
- New alerts
- All read messages
- All alerts
- Summary of voting processes scheduled for the present week
- Summary of personal alerts previously configured

B) Personal citizens' affairs and relations with Public Function services

- Financial services supported on-line²⁸
- Licenses
- Pensions
- Certificates
- Taxes

²⁸ *Taking into account that money only exists in its digital form, the Public Function "Financial Management" will provide minimum financial services to any citizen who requests them. Among these services will be included: money transfers, electronic payments, periodic order payments, balance queries and some service customisation.*

- Fines
- Litigation processes
- Other services, identification documents, etc.
- Drivers' licenses
- Social support
- Real estate register, heritage, transfer of company shares, etc.
- Other issues
- Questions, complaints and suggestions

C) Global Community Affairs

- Monitoring of the legislative process – Laws
- Monitoring of the Executive process - Concessionary Companies
- Monitoring of Arbitral Council work

Here is the composition of the first level entry of each of the above options in abridged form:

- Monitoring of the legislative process - Laws
 - a. Law Search²⁹
 - b. Law Proposals - phases³⁰:
 - i. Proposals suggested (in search of quorum)
 - ii. Proposals under review to determine if additional studies are needed (optional)

²⁹ *By date, by subject, by intervener, by stages, etc.*

³⁰ *Each of the steps of this phase will be analysed in detail in the following chapter.*

- iii. Additional studies phase (optional)
- iv. Alternative proposals, gathering of alternative proposals – quorum required
- v. Proposal adjustment phase - the set of alternatives is closed
- vi. Timing of next steps
- vii. Information and knowledge conveyed to all citizens
- viii. Tests by citizens
- ix. Voting period (which typically lasts a day)
- x. Information on voting results, indicating which law passed³¹
- c. Approved laws (search)
- d. Rejected laws (search)
- e. Customisation³²
- Monitoring of the Executive process - Concessionary Companies³³
 - a. Monitoring of all Concessionary Company information systems³⁴

³¹A citizen who intends to limit his participation only to voting on laws can opt to customise the portal in order to receive alerts when the processes reach phase vii. Divulging of information to all citizens.

³²The citizen can customise the web portal; for example, it is possible to request to be automatically alerted if laws of a particular sector or theme is to be debated.

³³The interface citizen portal application interacts actively with the various information systems of the various Public Functions and can directly access all databases of all servers.

³⁴The exceptions concern some clearly defined sectors: external defence and police investigation (and only at the investigation stage).

- i. Real-time analysis, including processes and ongoing projects
 - ii. Analysis, objectives and deviance
 - iii. Request an investigation by a controlling entity
 - iv. Observation of the planning of future activity, budgets and strategies
 - v. Processes assigned to sub-concessionaries, including the way in which these companies are chosen
 - vi. Consultation of any Concessionary Company complaints and assessment reports by citizens, including access to discussion forums
- b. Electoral processes to choose Concessionary Companies
 - i. Periodic electoral “Processes”:
 - 1. Analysis of the various candidates’ projects
 - 2. Shared studies and public discussion forums
 - 3. Informing citizens
 - 4. Voting phase, which typically lasts a day
 - 5. Information of the voting results and the Concessionary Company chosen
 - ii. “Exceptional” electoral Processes (in case of expulsion)
 - (This is similar to the case above)
- Monitoring of Arbitral Council work:

a. One tab for each member, who reports his or her activity and the control of the designated Concessionary Company

b. Matters concerning foreign affairs

c. Matters concerning institutional differences

D) Local Community Affairs³⁵

- My services
- My residence
- My building
- My street
- My neighbourhood
- My Local Community (which may be a city, town or agglomeration)
- My Local Community of Interest (in case it exists)

For each of these sections the following would be presented:

a. Law proposals (this structures could be similar to those applied in the Global Community)

b. Alerts, suggestions and complaints

c. Requests for new services (for analysis by the Local citizens)

d. Providing of information by the Local Community

³⁵ *Local Community affairs is accessed in the Community Web Portal. This is easier for citizens, as there is only one link to access everything that is public. In practice, the whole link is forwarded, and the Concessionary Company that manages each Local Community is solely responsibility.*

- e. Thematic discussion forums
- f. Payments and warnings
- g. Everyday issues

E) Judicial affairs and Trial Monitoring³⁶

- Monitoring of judicial activity
 - a. Real-time trial sessions
 - b. View recorded trial sessions
 - c. Complaints
 - d. Forums
 - e. Appeals analysis
- Auditing of Judges
 - a. Petition requests³⁷
 - b. Petition request participation
 - c. History of activity

F) Indicators, surveys and studies

All these reports will be found here.

³⁶The link "monitoring of judicial activity" will be redirected to the sole responsibility of the Concessionary Companies that have been managing matters connected with the judicial processes.

³⁷ These requests to petition serve to analyse whether or not there is something wrong with the judge's analytical capacity, which can be measured by the number of petitions and complaints that are endorsed and by the number of processes that go to the appeal stage; the number of sentences that are altered in this process are also analysed.

3.7 Community Web portal security mechanisms

The Community Web portal should contain a technical mechanism which could prevent any entity or user from finding out the voting intention of another citizen.

Whenever there is a need to carry out maintenance of the Community Web Portal's systems, or if a new functionality needs to be developed and implemented, this technical process must be examined and implemented simultaneously by three computer consulting companies so that they can oversee each other. Also, this will have to be done under the direct supervision of two randomly chosen members of the Arbitral Council.

The Community Web Portal serves as a Portal which aggregates interfaces for all links, although each one of them is forwarded to the respective entity. This process will be completely transparent to the citizen.

3.8 How citizens vote

How the process works

The first step will be the authentication of a citizen's identity. The person will then be redirected to his or her own main menu where all electoral processes and law voting sessions will be scheduled and highlighted.

For each law proposed, there is always a responsible entity that coordinates the law voting session and by the general rule that mission will be addressed to its Concessionary Company, accountable for managing the issues concerning that specific Public Function.

In this process, the Concessionary Company will hold other assignments such as setting up final legislative texts and technical preparation studies and could choose the option of implementing or delegating. If the Concessionary Company chooses to delegate, it is required to promote and launch a simplified RFT (Request for Tender), which will be an “online auction” reaching all service companies in the market to choose the better sub-concessionary Company. In this RFT the Concessionary Company will have to present the final text to be put to vote, the various political alternatives, as well as the learning tools to be placed at the citizen’s disposal.

After citizens approve the law, the Concessionary Company has to implement it within the defined deadlines.

The citizen can “click” on the law that he wants to question or vote on and is able to access all information related to that law, including the most diverse sources. This all happens in the “Global Community Affairs” main link.

The voting process phases:

The following is an analysis of one of the Community Web Portal’s inbound links called "Global Community Affairs", in the section “Monitoring of the legislative process” - more precisely in the Law Proposals phases. By using this link the citizen can see the various stages of the law voting process. And so, the law in question may follow these sequential stages:

- Phase I - Proposals suggested (in search for quorum)

Any citizen or entity may submit a proposal to introduce a new law or change an existing law; this entire process is carried out on the web portal of the community in question and several fields are mandatory:

a. If the citizen wants to change an existing law, the suggested fields are:

- Identification of the law or procedure to be changed
- What Public Function does it concern?
- What is the identified problem?
- Summary of amendment
- What are the benefits of the change?
- What are the estimated costs of the change?
- What are the disadvantages of the change?
- Studies and support information
- All comments

b. If the citizen wants to create a new law, the fields are:

- What Public Function does it concern?
- What new element does it intend to introduce?
- Summary of amendment
- What are the benefits of the change?
- What are the estimated costs of the change?
- What are the disadvantages of the change?
- Studies and support information
- All comments

In the event that the proposed law is being presented by the respective Concessionary Company in office, a supporting quorum will not be required. However, when the bill is

presented by an isolated individual citizen, it will require quorum. The number of citizens needed to support it, has to be at least 0.1% of the total number of people belonging to the Global Community. This limitation serves to guarantee that enough citizens are in agreement with the proposal and signals that the process should advance.

In order to give his support to a proposed law, the citizen will merely have to click on the field corresponding to the law proposal viewed within the field “Proposals for quorum”.

The quorum, updated with the total number of citizens in favour, can be consulted at any time. In addition, citizens can attempt to promote their “petition” by various ways in order to draw attention and attract more support.

It is only when the process reaches the minimum quorum that it can proceed to the following phase, which is:

- Phase II - Proposals under review to determine if additional studies are needed (optional).

At this stage, the citizen or entity that launched the bill should be consulted by the respective Concessionary Company in order to determine if it makes sense to carry out additional studies or whether the existing information is sufficient.

- Phase III - Additional studies phase (optional).

At this stage the process will be suspended until the necessary studies are implemented. When all studies are concluded, they should be published and made available at this stage.

- Phase IV - Gathering of alternative proposals phase - quorum required.

As multiple solutions to a given problem can be configured,

at this phase any citizen who wishes to submit his or her law proposal has the opportunity to do so. The minimum required quorum will be only 0.05% of the total of citizens; the Concessionary Company may also present its own proposal and is not subjected to any type of quorum.

- Phase V - Proposal adjustment phase - the set of alternatives is closed.

At this stage each of the proposal's authors is given the opportunity to modify the bill presented, if they so desire; they will also be able to merge two or more law proposals into a single consolidated alternative, if all authors agree; at the end of this phase all proposals are considered final.

- Phase VI – Timing of next steps.

At this phase, citizens are informed that a new law is under discussion and time-frames for the next steps are set. There could be suggested time-frames, however, these would vary according to the size and complexity of the project and the number of studies necessary to support decision making.

- Phase VII - Information and knowledge conveyed to all citizens.

The respective Concessionary Company will then have to summarise the various law proposals, including the framework and context as well as the advantages and disadvantages of each option. It should also organise an "on-line" discussion forum destined to clarify all doubts about the new law. In the event that it becomes necessary to obtain more detailed information on each proposal, the respective author must provide it.

- Phase VIII - Tests by citizens.

It is unacceptable for anyone to vote for a law with which he or she is unfamiliar with. Therefore, citizens will be allowed to vote only if they demonstrate a minimum knowledge of the matters at stake by responding to a short “on-line” multiple-choice questionnaire. They will need to answer at least seventy-five per cent of all questions correctly.

If the citizen fails, he or she has to wait two days before repeating the test so that the person will have time to study the issue. For each law proposal, a citizen can repeat the test three times.

In order to minimise the chances of cheating, the testing system utilises different questionnaires each time from a database containing about forty test models of similar levels of difficulty. The system “knows” which test model the citizen has already completed so, when he or she clicks to perform a new test, the system assigns him or her a model never seen before.

- Phase IX - Voting period (which typically lasts a day).

On the designated day, the citizen exercises his or her right to vote simply by "clicking" on the draft law he or she prefers.

- Phase X - Information on voting results, indicating which law passed.

The Community Web Portal system automatically calculates the results of each law proposal and, at the end of this period, makes the final results public by announcing the winner. In the case of law proposals that aim to change an existing law, one of the answer options must be “keep the present law unchanged”.

Further studies could be published in order to allow the analysis of implementation results, so that citizens could assess the results of the decisions that they made.

Financial concerns

A significant percentage of the overall Global Community budget would always be allocated to finance unexpected laws that citizens may wish to approve throughout the year. For all of these unexpected law proposals, it must be clarified whether the bill will be self-financing or be funded by a specific existing budget.

If the second option applies, the Concessionary Company should analyse what impact the measure has on its budget. If it is significant, a new amended budget will have to be drawn up and voted on by citizens. This amendment must also be approved by the Arbitral Council.

Once the financial issue is settled, the Concessionary Company proceeds with a description of the required implementation steps.

3.9 Types of laws and proposals

In order to allow citizens' understanding of the nature of the laws, every time that a new law is proposed it will always have to be classified regarding four distinct requirements: purpose, context, nature and scope of the subject.

Regarding the purpose ...

For ease of understanding, decision-making processes are classified into the following possible types according to their

purpose:

- Electoral processes to choose Concessionary Companies and the members of the Arbitral Council.
- Law proposals to decide each issue directly.

Regarding the context ...

Regarding the context of the laws, a distinction must be made to show that electoral processes are carried out at two levels:

- The Global Community level.
- The Local Community level.

With regard to only Global Community law proposals, these can be classified as:

Regarding the nature ...

- Referendums to decide issues related to the structural nature of the regime – amendments of basic structural rules.
- Referendums to decide ordinary, everyday issues, which involves voting on a specific issue; here direct persons or entities are not involved; in this context we may sort laws into:
 - *Innovation* - this process is initiated because someone has an original idea, or because it is a new idea for a new service.
 - *Efficiency* - this process is initiated because someone finds a way to enhance an existing service, or because someone thinks that the same service can

be performed in a cheaper or more efficient way.

- Financial or budgetary.

This classification has implications on how the process plays out and on the number of votes required to obtain a given change; while elections and referendums to decide ordinary day-to-day issues would require fifty per cent of the votes plus one, referendums to decide issues related to the structural nature of the regime would require a qualified majority of two-thirds or three-quarters, to be defined by each Ergonocracy system.

Regarding the scope of the subject ...

There are two types of Global Community laws, depending on the scope of the subject in question:

- General Laws - laws that apply to people and that are comprehensive throughout society. This includes general budgets, social insurance, health service fees, educational content, etc.
- Sectoral Laws - laws that apply to a particular sector; these deal with economic, labour or procedural conditions and concern the people whose activity belongs to this sector.

This classification has implications on the way votes are counted. Clearly each citizen will have a huge list of processes and laws to vote on and invitations to participate, which may seem very confusing. What will most likely happen, is that every citizen will eventually vote on only a fraction of the laws under debate, i.e. the citizen will vote on those laws that will have the most impact on his or her life, or on the sector with which he or she is connected. Therefore, with this reasoning in

mind, the following rule makes sense:

- General Laws - one citizen, one vote.
- Sectoral Laws - votes will be weighted so that five voting points are assigned to citizens connected to the sector in question, while other citizens' votes will only count as one voting point.

It makes sense that the people who are directly involved in the sector under debate should have more decision-making capacity, as these people will be more familiar with the subject and the final result will affect them more directly than it could other citizens.

Moreover, it does not make much sense that people should concern themselves with subjects in which they are not interested, or be concerned about those which they have no knowledge of. Otherwise, most people will gradually lose interest in participating in Global Community decision-making processes.

Citizen's expected behaviour ...

Citizens will most likely be less inclined to participate in electoral processes for the purposes of choosing Concessionary Companies, unless the company in question incurs voter displeasure. If this occurs, citizens will tend to vote for another opponent, as happens now in countries with representative democracies. This label of having been voted out of office will probably follow the hapless Concessionary Company for a long time, causing the company to have little chance of winning concessions.

In summary, it is elementary common sense to conclude that the majority of citizens will presumably concentrate their

voting attention on laws related to matters they feel connected to, or issues they consider important. Only a minority of citizens will tend to participate in all decisions. Another significant minority could participate enthusiastically at the beginning, when the Ergonocracy system of direct democracy is still a novelty. However, they could gradually lose interest in participating as time goes by. Once it reaches cruising speed, the system will probably reach a steady equilibrium according to each citizen's desire for participation. Compulsory participation should never be imposed.

In general, these voting processes usually relate to important elections that occur, on average, ten times per year. The proponents of Ergonocracy hope that citizens will view this as reasonable and entirely manageable.

3.10 Public Functions and Concessionary Companies

Certain Global Community Public Functions are stable and permanent in nature. These are called Permanent Public Functions, or more simply, Public Functions.

For each of the Global Community's Permanent Public Functions, there will be issued an RFT (Request for Tender) in order to award each Public Function to a different Concessionary Company. It is important to note that no Concessionary Company can take on more than one Public Function at a time.

Each Concessionary Company should have as little autonomy as possible so that they operate in a context of control and austerity. They will have only the necessary power to enable them fulfilling their duties.

Permanent Public sub-Functions

Furthermore, Public Functions are split into logical, functional sub-functions, which are managed by sub-concessionary companies.

Each Concessionary Company has the strategical obligation to control its Public Function. But it will require help to approach the tactical and operational missions. Let's not forget that each company is limited to a maximum of twenty collaborators, as we will further see in the Ergonocracy Economic Model.

Besides, built into this framework is a contingency for dealing with an unexpected influx of labour. Whenever this happens, specific outsourcing arrangements and other sub-concessionary companies will be hired to help deal with these temporary difficulties.

For each function, or sub-function, the Community Web Portal will publish the name of the company responsible and will allow online monitoring.

Concessionary companies will choose their sub-concessionary companies

The Concessionary Company assumes the responsibility for managing all components pertaining to its Public Function, including the process of choosing sub-concessionary companies through internal procurement procedures in which the Concessionary Company must define in advance the criteria that will be considered in this process. As always this process will be transparent so that it can be consulted by any citizen.

The Concessionary Company will also have to establish

general guidelines and various strategic options, also being responsible for the management of all public equity and must ensure the proper maintenance and efficient functioning of all assets under its responsibility.

Financial incentives to achieve goals

Each Concessionary Company will be provided with a financial incentive in keeping with its budget supervising work and the cost control that it manages to impose through the defining of objectives and rewards. The quality of management, which can be measured through direct questionnaires to the citizens, will also be taken into account. Ergonocracy's political model seeks to create a flexible environment in which there is no attachment to power. For example, in a given year a company that became the Concessionary Company for a certain Public Function, may later be involved in another project. This project could have a totally different scope, such as providing consulting services as a sub-concessionary inside another Public Function or in another private area.

Repetitive Public Functions

There is one type of Public Function which involves seasonal activities that occur repeatedly at certain times of the year. These types of functions fall under the title Repetitive Public Functions. The prevailing viewpoint assumes that the Global Community budget should always be exempt from funding these activities. This could be achieved by the assigning of specific temporary concessions, which will not oblige the Concessionary Company to invest in the acquisition of a license. Rather, the Concessionary Company will have to

perform stipulated public service at zero cost.

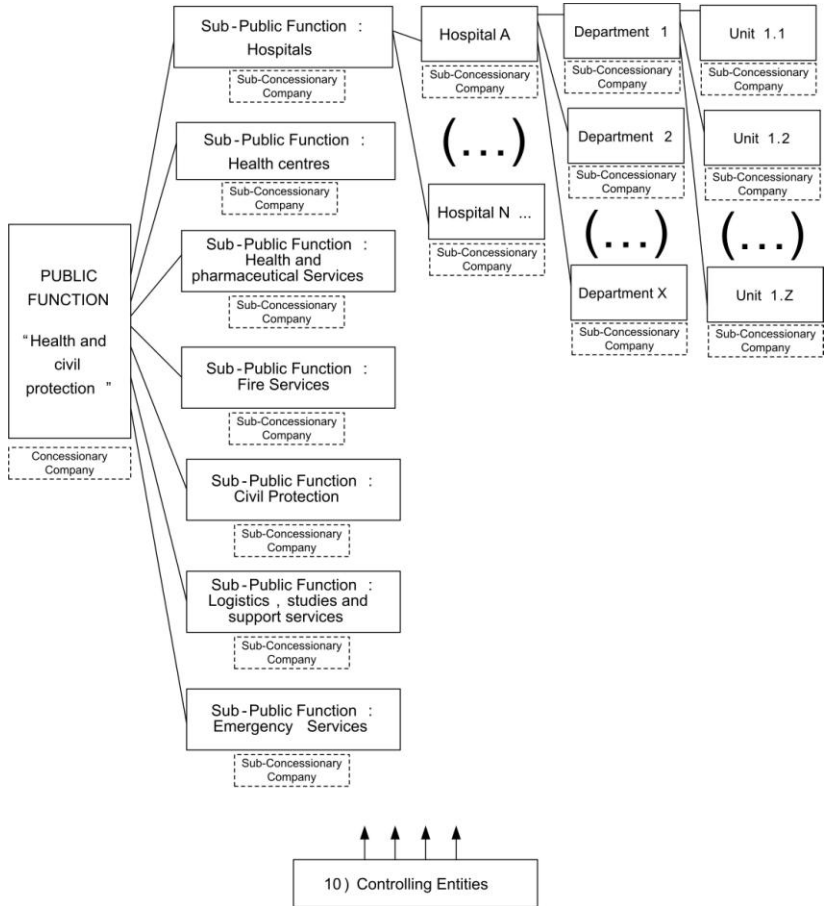
As an example, one can easily imagine a temporary Concessionary Company in the tourism sector, where the Company could assume the responsibility for all clean-up and security activities at a particular beach. In return, it could be given the right to commercially exploit the area, through bars, cafés and the rental of recreational equipment. For winter resorts a similar situation can be imagined.

Each country will have to choose its own Public Functions' structure

The public functions' structure presented in the next chapter is just an example that aims to reflect a possible alternative among many other viable possibilities. The choice of the public functions' structure must be decided in each country, by a qualified majority of its citizens. For example, a country may be faced with the need of having to decide whether or not to have their own army, or, alternatively, whether to contribute, financially and with human resources for a common international alliance.

3.11 Global Community Diagram

Here is a summary diagram showing an example of a possible structure for the ten Permanent Public Functions (Global Community activities):



3.12 Example of a Public Functions' structure

According to the previous diagram, this is an example of a possible structure for the ten Permanent Public Functions, which are divided into ten large logical, functional groups:

- 1) Internal security and criminal justice

- 2) External security, defence and information services
- 3) Health and civil protection
- 4) Foreign affairs
- 5) Civil justice, registrations, and Communities' Web Portal
- 6) Economic support
- 7) Financial, monetary, and administrative management
- 8) Social security
- 9) Education
- 10) Controlling entities

The following is a list that illustrates how Global Community Public Functions and their respective Concessionary Companies could be organised.

- 1) Internal security and criminal justice - 1 Concessionary Company:
 - Police force - 1 Sub-Concessionary Company per zone
 - Investigative Police - 1 Sub-Concessionary Company per area
 - Criminal courts - 1 Sub-Concessionary Company per judicial zone
 - Emergency care services, including management of air surveillance and video network - 1 Sub-Concessionary Company per area
 - Jails and detention services - 1 management Sub-Concessionary Company per facility and multiple

operational Sub-Concessionary Companies for each unit

- Logistics and support services - 1 Sub-Concessionary Company per region

2) External security, defence and information services - 1 Concessionary Company:

- Army - 1 global management Sub-Concessionary Company and multiple operational Sub-Concessionary companies for each unit
- Navy - 1 global management Sub-Concessionary Company and multiple operational Sub-Concessionary companies for each unit
- Air force - 1 global management Sub-Concessionary Company and multiple operational Sub-Concessionary Companies for each unit
- Special Forces - 1 global management Sub-Concessionary Company and multiple operational Sub-Concessionary Companies for each unit
- Information services - 1 global management Sub-Concessionary Company and multiple operational Sub-Concessionary Companies for each unit

3) Health and civil protection - 1 Concessionary Company:

- Hospitals - 1 global management Sub-Concessionary Company for each hospital and multiple operational Sub-Concessionary Companies for each unit
- Health centres - 1 global management Sub-Concessionary Company for each Health centre and

multiple operational Sub-Concessionary Companies for each unit

- Health and pharmaceutical Services - 1 Sub-Concessionary Company per area
- Fire services - 1 Sub-Concessionary Company per area
- Civil protection - 1 Sub-Concessionary Company per area
- Logistics, studies and support services - 1 Sub-Concessionary Company
- Emergency services – 1 Sub-Concessionary Company

4) Foreign Affairs - 1 Concessionary Company:

- Embassy Services Health centres - 1 Sub-Concessionary Company per facility
- International Business support - 1 Sub-Concessionary Company
- Dignitary reception general support - 1 Sub-Concessionary Company

5) Civil justice, registrations and Communities' Web Portal management - 1 Concessionary Company:

Civil courts - 1 Sub-Concessionary Company for each court

- Voting Services and Community Web Portal management - 1 Sub-Concessionary Company
- Administrative general support services - 1 Sub-Concessionary Company
- Registration services - 1 Sub-Concessionary Company

per area

- Housing Model Support - 1 Sub-Concessionary Company

6) Economic support - 1 Concessionary Company Public Investments - 1 Sub-Concessionary Company:

- Maintenance of public structures - 3 Sub-Concessionary Companies (one for the road network, another for public service networks and one more for construction and urban development)³⁸
- Control of financial entities – 1 Sub-Concessionary Company
- Control of Public Assets - 1 Sub-Concessionary Company - this company would also have the task of negotiating assets and acquiring services through the Community Web Portal
- Economic activity Support - 1 Sub-Concessionary Company for each sector: agriculture, industry, services, technology, financial, cultural, sport; these companies would also have the task of issuing regular reports regarding the state of competitive activity in each sector
- Professional relations management - 1 Sub-Concessionary Company, this company would help to regulate problems between partners and companies.

³⁸ *These Sub-concessionary Companies will also have to assist Local Communities with technical, regulatory and general questions*

7) Financial, monetary, and administrative management - 1 Concessionary Company:

- Global financial Management - 1 Sub-Concessionary Company
- Fiscal Affairs - 1 Sub-Concessionary Company
- Citizen support - 1 Sub-Concessionary Company
- Digital currency issuing and control - 1 Sub-Concessionary Company
- Physical resources management - 1 Sub-Concessionary Company

8) Social security - 1 Concessionary Company:

- Resource Management - 1 Sub-Concessionary
- User support services - 1 Sub-Concessionary
- Disabled people and retirement accommodation management - 1 Sub-Concessionary per unit

9) Education - 1 Concessionary Company:

- Kindergartens - 1 Sub-Concessionary per unit
- Primary schools - 1 or more Sub-Concessionary Companies per unit
- Secondary schools - 1 or more Sub-Concessionary Companies per unit
- Technical Schools - 1 or more Sub-Concessionary Companies per unit
- Universities - 1 or more Sub-Concessionary Companies

per unit

- Management of academic content and teaching staff - 1 Sub-Concessionary Company

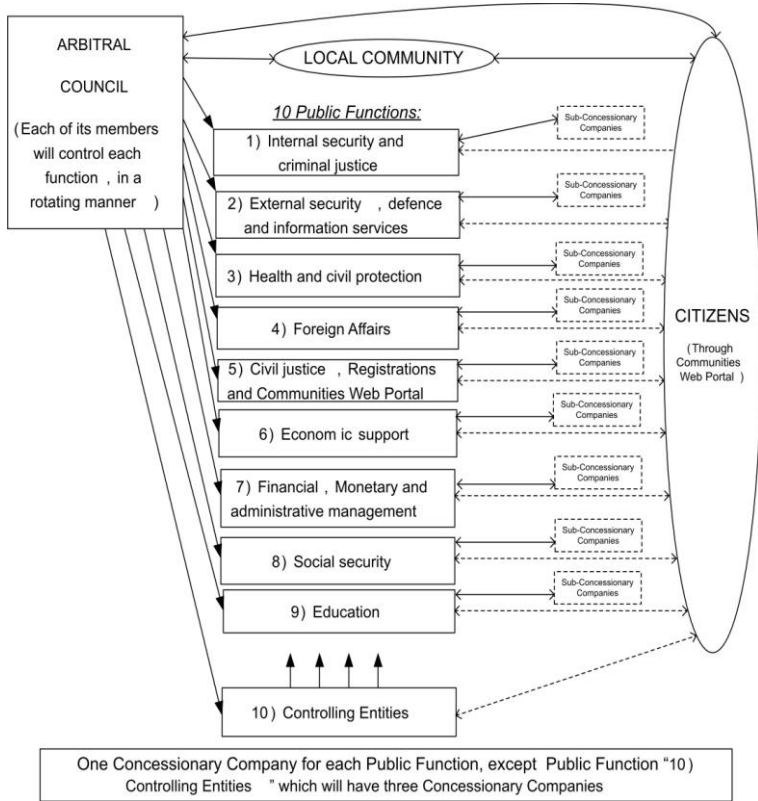
10) Controlling Entities:

- 3 Controlling Entities - 3 Concessionary Companies.

Each Sub concessionary Company will manage its own budget and will be directly controlled by the respective concessionary company; the budget of the concessionary company will be controlled by citizens, controlling entities, the members of the Arbitral Council and more directly, by the sub-concessionary company that takes care of the sub-function: “Global Financial Management.”

It is clear that the number of sub-concessionary companies allocated to each public function will obviously depend on the size of the country in question. This is just one example of how the public functions of a small country, could be organised.

Here is an example of a possible structure for the Public Function “Health and Civil Protection”:



Financing permanent Public Functions

In keeping with the user-payer principle, each Public Function should be funded, as much as possible, by those who actually use the services so as to reduce the use of Global

Community resources. This helps decrease taxes while simultaneously inject more fairness into the system.

There will be exceptions, of course, which will be decided upon by citizens. For instance, people may decide to consider the financing of the Public Function “Health and Civil Protection” as an exception, since nobody can be blamed for getting ill. Even if a person is partially responsible due to reckless or irresponsible behaviour, it is not fair for the citizen to be penalised twice.

Regarding criteria for financing public functions, three distinct groups of services can be noted and divided according to how they are financed:

- The first group of services is financed solely by the Global Community Treasury; these are services that cannot easily be charged to citizens and from which everyone can benefit. Included here are the departments of health and civil protection, external security services, Community Web Portal services, etc.
- There is a second group of services whose financing is mixed. That is, part of the financing comes out of the Global Community Treasury, whereas another part is a variable amount that results directly from its own activity. For example, these will include fines charged directly to convicted offenders by health inspections and criminal courts as well as voluntary contributions from partners inside the framework of projects where counterparts are being negotiated, as for example the contribution of entities such as insurance companies, cooperatives, landowners’ associations, etc.
- The third type of service permits direct charging of costs. These are “ticket” type services, i.e. services

where the individual user can be identified and taxed. The Public Function that fits into this area is "Civil Justice, Registrations and Community Web Portal Management" where all services provided by civil courts and registration services can be directly and fully paid by end-users. There is one exception, the sub-function "Voting Services and Community Web Portal Management" where no variable rate or proportional tax should be applied to users, as the use of the portal by participating citizens should be encouraged as a positive feature of the political process.

This last group should also include local services provided by each Local Community, who has an obligation to coordinate certain responsibilities with central services and provide basic services to local residents, such as common support facilities, sanitation services, water, electricity and gas. In this case, all costs can be directly allocated.

3.13 Public Procurement

General public procurement rules

The basic principles ruling these processes are simplicity and transparency, with succeeding procurement phases entered digitally into the Community Web Portal.

When a public invitation is endorsed, it generates an RFT (Request for Tender) which further requires from each applicant a proposal containing all specifications, usually divided in two distinct parts:

- Part I - Component subject to competition - this part contains all intended objective elements and the

requirements to which all applicants must respond, set out in a grid or table of requirements that includes price, period of delivery, detailed characteristics, service level agreement, etc. The RFT can define minimum requirements and all applicants are obliged to meet them if they wish to respond to the RFT.

- Part II - Component not subject to competition - this component is subjective and unstructured; the applicant can state all details that may add value to his candidacy. All extra services can be described, including “resumés” and reports of past performance.

General process phases

All decisions must be published in the Community Web Portal, including a report where both objective and subjective reasons must be stated. All of them should be quantified and evaluated according to a previously stipulated set of criteria.

Thus, when all proposals are collected, an analysis matrix can be created to include all competitors’ qualifications, item by item, with mechanisms to evaluate each proposal. The final score assigned will be inversely proportional to the performance distance that all applicants obtain in relation to the first candidate in each category evaluated. Hence, we can describe the following phases:

- Before the competition, the entity that launches the RFT must follow these steps:
 - o Define prior requirements
 - o Define metric evaluation criteria.
- After obtaining responses from the various competitors,

the entity that launches the RFT must do the following:

- o Evaluate each grid of responses objectively
- o Weigh up and quantify the subjective data
- o Calculate each competitor's total score and choose the one who has achieved the highest grade.

What results may be expected

We must bear in mind that even though the processes associated with RFT procurement ensure a certain degree of reliability, the fact remains that the results obtained by some public entities through these processes usually compare disadvantageously to the outcomes that private companies achieve through more direct types of procurement.

However, this is an inevitable occupational hazard due to the fact that RFT processes adhere to a more rigid formalism in order to reduce the chances of fraud. This often means that they do not allow for exceptions or variables and that, occasionally, certain candidates who are not necessarily the best people for the job, are favoured.

Thus, the RFT script proposed by the Ergonocracy political model must ensure that Part I, the "Component subject to competition" is as concise, objective and clear as possible. The intended goals must be stated along with the essential requirements for the job.

At the end of the day what matters most is the best binomial price-quality that can be achieved. It is up to the decision-maker to use the objective analysis obtained from Part I and the subjective analysis from Part II to make the best decision possible, in the exact same way a good businessman would decide the best course of action for his business.

Types of procurement processes

There are three types of procurement processes:

- Type A - elections held by the Concessionary Company that manages the Public Function “Civil justice, Registrations and Community Web Portal Management” designed to choose the Concessionary Company for each Public Function and directly decided by citizens
- Type B - elections that are decided upon and held by each Concessionary Company; these electoral processes are designed to choose the Sub-concessionary Company destined to deal with each Sub-Function
- Type C - temporary invitations that are decided upon and held by Concessionary Companies and Sub-concessionary Companies; in this case, concrete specifications for the acquisition of goods, services or outsourcing services are spelled out.

Types B and C can also be designated as internal procurement process, as citizens will not be asked to vote.

Type A Procurement processes

Every Public Function should be assigned to one Concessionary Company upon the completion of a Type A procurement process.

This Concessionary Company is “elected” for a four-year period, but should publish its annual activity balance every year. If this is not approved by a simple majority of citizens, new elections will have to be held for the Public Function in question and Controlling Entities will immediately be called

upon to check the accounts.

One possible way to organise elections for Public Functions could be to designate every fourth year as an “electoral year”. The fact that there are ten Public Functions, means that every month a Public Function election could be held, starting in February and ending in November. Other possibilities could be to hold elections for each Public Function every four months, during a four-year cycle.

Companies wishing to apply will simply have to present their candidacy online via the Community Web portal.

The procedure will be managed by the Public Function “Civil justice, Registrations and Community Web Portal”, more precisely by the Sub-Function “Voting services and Community Web Portal management” which, among other assignments, should create a five-member jury, chosen by lottery among citizens who volunteer for this purpose.

The Arbitral Council will have the task of controlling this lottery. In the event that there are not enough jury volunteers, the Arbitral Council will have to delegate this responsibility to third parties who accept this responsibility or choose to constitute the jury with its own Arbitral Council’s members.

The jury should always be able to count on the technical support of the incumbent Concessionary Company and will also have to define and design the specifications for the Request for Tender, in particular, Part I - ‘Component subject to competition’ and Part II - ‘Component not subject to competition’, in such a way as to reflect the evaluation criteria, the evaluation norms to be used and the calculating methods to be used to determine these norms.

This jury will also have to provide the information

framework, in particular, all relevant data necessary for applicants to be able to describe their proposals; among other elements, it should include:

- All previous budget and accounts reports
- A summary of all proposals that were subjected to public scrutiny
- A complete summary of minimum goals that the new Concessionary Company will have to achieve, according to last season's performances and citizens' expectations; in fact, these goals should be defined by the citizens
- Deadline for submission of proposals by applicants
- Deadline for the publication of the jury's results.

In the proposal, therefore, each company applicant should take into account the previously established RFT requirements and fill in the complete grid. Proposals should thus contain the following elements:

- Introduction to the company, including the names of all shareholders, their shares, their economic group "url" links and their résumés
- Success stories along the company's history that demonstrate the firm's capabilities and highlight its specific expertise
- Overall proposed strategy, including flagship measures that the candidate intends to place up for discussion by citizens
- Objectives that the candidate intends to achieve (quantifiable items)

- Proposal for a global budget for their Public Function
- Amounts that the applicant company intends to charge for management services during this period (this amount must always consist of two components: a fixed quarterly amount plus annual premiums in accordance with objectives)
- All elements that could enhance the proposal (i.e. documentation, catalogues, etc.) should be attached.

After all competing companies have submitted their proposals, the jury should publish scores obtained by each of the competitors in each requirement by a pre-established date. The jury should also recommend the choosing or erasing of one or more candidacies. At this stage, all applicants have the right to submit rectified data, if they do not concur with the jury's conclusions.

Subsequently, the jury must publish its final decision by a pre-determined deadline, bringing the process to the next stage, which involves the systematisation of all candidates' proposals and the providing of information and data to citizens about the issues in question.

In the next phase, all citizens must demonstrate their knowledge through an on-line test on the various proposals.

Finally, on a scheduled date, citizens will vote to elect their desired Concessionary Company and the previous Concessionary Company will have a period of two weeks to pass along all ongoing business to the winner.

Once in charge, the new Concessionary Company will have to be careful to keep its electoral promises, as it will run the risk of automatically having to submit to a formal investigation into why these promises were broken. In this situation, citizens

will then need to vote on whether the company should continue its mandate or not. If the mandate is to be suspended, the company cannot claim compensation, as the rules of the game should have been made clear from the outset.

Among the most severely scrutinised items in the company's proposal could be the budget, as each Concessionary Company is obliged to publish a weekly report comparing its estimated budget with the actual amounts spent during this period. This will obviously include the expenditures made by all Sub-Concessionary Companies that report to the Concessionary Company in question.

Type B and C Procurement processes

As each Concessionary Company manages its own Public Function, it must decide on the number of Sub-Concessionary Companies necessary to carry out the various sub-functions involved.

As far as possible, each sub-function should correspond to a separate and independent nucleus of activity in accordance with the nature of the activities involved, geographical requirements, or other types of criteria. Each sub-function will therefore be assigned to a Sub-Concessionary Company, which in some cases could control other Sub-Concessionary Companies that act as unit managers within the core.

There are two characteristics that contribute to defining the activity borders of all Concessionary and Sub-Concessionary Companies. These help to explain the concept of concession:

- Temporal and spatial uniqueness, i.e. each concessionary should have a certain time frame and an assigned area of activity, which no other company can

infringe upon

- Reciprocity: In the concession contract, the concessionaries assume inherent obligations and, in return, derive a benefit if they undertake their obligations.

All projects and activities undertaken by Sub-Concessionary Companies must be public and transparent at all times, so that any citizen or entity can digitally consult all proposals and details submitted by competitors. Every citizen has the right to request information and clarification from Concessionary Companies regarding their decisions and evaluations.

Therefore, each Concessionary Company has the following obligations:

- First, to define the number of sub-functions that should exist.

The general rule for defining the creation of sub-functions takes into account the following:

- a) The volume of work involved
- b) The existence of synergies with other related areas

It is important for the Concessionary Company to organise these units into a flexible and interdependent network of Sub-Concessionary Companies, similar to smaller elements in an informal competition regime, which will collaborate and share good practices and common resources.

- Second, to choose sub-concessionaries to deal with all sub-functions.

The Concessionary Company will have to organise all elections, one to elect each Sub-Concessionary (Type B

Procurement processes). In addition, the Concessionary Company will have to control, access, manage and audit each sub-function and each Sub-Concessionary Company activity.

Concessionary Companies have the autonomy to appoint sub-concessionaries, as the company has already undergone the electoral process and has been authorised to carry out the management of the Public Function in question. While striving to achieve its proposed goals, the Concessionary Company should be able to manage its mission as it wishes, provided that it complies with previously set out objectives and budgets. It is important to remember that the overall efficiency and expenditures of the Concessionary Company will eventually be evaluated. Provided that it complies with its goals, the more efficiently it manages to act, the bigger the prize-money and the greater the chances of winning future procurement.

In this context it is easy to understand that a Concessionary Company will tend to choose a company that it knows (and to which it is related in terms of shareholdings) to act as a sub-concessionary. This "modus operandi" should not be automatically viewed as negative. In fact, citizens will understand and accept that a concessionary will prefer to work with another company whose members they already know. They will know what to expect, as they will have already established positive working relationships and strong links to encourage the achieving of the best results.

For certain minor projects, the Concessionary Company or the Sub-Concessionary Company will be able to subcontract other companies to carry out specific parts of the project by using a simplified procurement (Type C Processes), provided that it obtains at least three proposals from three different companies. Moreover, as always, all information exchanged must be at the public's disposal.

In this way, each entity is able to contribute its own particular expertise and each company, through streamlined processes, has the opportunity to specialise in the sector it knows most about. Moreover, according to the Ergonocracy Economic Model, all company members are entrepreneurs who make their living based on their share of the profits. It is therefore easy to see how this helps exert additional control from the inside, as the entrepreneur's own colleagues have an interest in preventing corruption or inefficiency due to the risks and consequences involved. This control is effective because it is based on the strongest motivation, that of profit and of (economic) survival. Therefore, all members will be expected to monitor and help each other in pursuit of common objectives.

Extended concessions

Public procurement for the choosing of Concessionary Companies to manage the sectors of defence, justice and information services should entail extended concessions, "elected" for a period of twenty years. This differs from the mandates of other Concessionary Companies which last only four years.

This is justified by several factors:

- These Concessionary Companies deal with sensitive information and crucial data that is critical to safety
- Most members of these companies require specific and exhaustive training, as these skills can only be applied in these Public Functions
- The nature of these special tasks requires the benefit of accumulated professional experience

- Instability in the operation of these types of services could constitute a serious national security risk.

Since they have an extended mandate, these companies should be subject to a higher level of vigilance and submit to rigorous, periodic scrutiny. In the event of failure or errors, severe pre-defined penalties should be exacted and, in some cases, automatic cancellation of the concession. In other cases different types of penalties could be applied, such as heavy fines or mandatory expulsion of the offending Concessionary Company members.

In the case of the defence sector, top-ranking military officers and a few high-level resource managers should assume the management of the Concessionary Company of this Public Function. Also, for each of the five defence branches (Army, Navy, Air Force, Special Forces and Intelligence Services) five respective Sub-Concessionary Companies will be created to manage these sub-functions. Other Sub-Concessionary Companies will be responsible for managing each of these operational sub-functions, one for each military unit.

Thus, member profiles of each of these operational companies will contain an assortment of military professionals, highly skilled technicians and experts, according to the type of unit and its goals. The Concessionary and Sub-Concessionary Companies for information services will be monitored by the three controlling entities and should be administered by the respective Arbitral Council member responsible.

The Justice sector will be thoroughly analysed in a later chapter.

Public assets

All public assets and structural goods that support these Public Functions may be the property of the Concessionary Company, or they may be rendered “public” as long as they are effectively acquired by the Global Community. In this case, their management and maintenance is always assured by the Concessionary Company that manages the Public Function: “Economic support”. Other possibilities include long-term rental, as a variety of arrangements is possible.

When these assets are owned by the Global Community, this fact must be stated in detail in the RFT specifications. This is to assure that all companies can compete on equal terms and submit the best possible prices. Furthermore, this measure also guarantees that the various competitors’ proposals do not inadvertently become inflated through taking into account the acquisition of previously existing assets.

In this way, all applicants will only present in their proposals the items and teams they consider relevant to fulfil the performance objectives.

3.14 The educational system - an example

For the purposes of understanding the way the Ergonocracy Political model should operate, let us take the example of a Concessionary Company that wins the election for the Public Function “Education”. In reality, this Concessionary Company will play a dual role in the educational system, as it can both participate and take an active role in drafting educational policies. However, its main function - the one for which it was contracted - is the implementation of its previously approved programme. This task involves executing plans and

coordinating all available means and resources, including the assigning of necessary resources and information to schools, promoting teacher training and dealing with other entities that create learning materials, tools, etc.

It is important to note that, in this example, educational policy is, in itself, essentially defined and chosen by citizens. This includes the content of the various subjects that are to be taught and the possible participation of student association representatives in this process. However, the Concessionary Company responsible for the Public Function “Education” should play an important role in the legislative component. This is due to the fact that it possesses a very comprehensive view of the process and, among its responsibilities, the Concessionary Company will have to carry out certain tasks, such as coordinating the process of deciding laws, providing studies and suggesting alternatives, recommendations, amendment strategies, etc.

3.15 Citizens’ contract

According to this contract, every youngster should attend a special course to be integrated into the school academic programme, which will focus on the fundamental rules governing a Global Community, including the most important laws as well as the specific rules of the Local Community.

Such classes should be repeated as many times as needed for the student to pass the test. Upon successful completion of the course, the student will be invited to participate in an annual ceremony, held at the end of the school period, along with all other youngsters born in the same year who have also reached the age of adulthood. This ceremony should symbolise and mark the moment at which citizens of the Global

Community assumed their new adult status. It will be formalised with every youngster signing a contract in which he or she pledges to abide by all laws.

This formal ceremony will therefore constitute a symbol of acceptance of citizenship. At the same time, young adults will be formally presented with the precepts that stress the importance of each individual and encourage them to participate in the collective decision-making process. In social terms, it will mirror the rites of initiation into adulthood practiced by certain indigenous tribes.

Each young citizen will have the option to specify in an addendum to the contract, the laws with which he or she did not agree or those the individual believed should be changed. Performing this act will not exempt the citizen from complying with the rules. It will merely give the person the opportunity to state his or her personal disagreement for future reference.

This contractual document should be guarded in a secure location, preferably a museum [archive?] under the protection of the Arbitral Council.

Besides, at another level, in order to assure that youngsters feel correctly prepared at facing adult age challenges, there should be a few lectured courses, integrated in their learning programmes:

- Special course regarding the issue of personal money management
- Special course about entrepreneurship and management
- Special course regarding practical household knowledge

3.16 Disadvantages and threats

The disadvantages and threats inherent in this political model are the following:

The risk of low internet penetration

The solution to the eventuality of low internet penetration may rest in the creation and provisioning of free public kiosks, access to which could be limited to the Community Web Portal.

In addition, agreements with existing cybercafés could be made that will allow access to the Community Web Portal free of charge.

Besides, embedded in the Community Web Portal an IVR³⁹ type contact centre will be available in order to ensure that any citizen could gain automatic free telephone access service. After proper authentication, the citizen will not only be provided with the necessary information about the electoral processes, but he or she will also be able to express his or her voting intention⁴⁰.

³⁹ *Interactive Voice Response (IVR) is an interactive technology that allows the computer to detect voice and keypad inputs. IVR allows customers to access the company's database via the telephone touchtone keypad or by speech recognition, after which they can service their own inquiries by following the instructions. IVR systems can respond with pre-recorded or dynamically generated audio to further direct users on how to proceed.*

⁴⁰ *This type of authentication could be similar to that which is provided by contact centres in the banking industry, which provide safety authentication cards with rows and columns of data designed so that more security can be inserted into the system in addition to the user/password scheme and thus safeguard the best practice "something you know, something you have".*

The risk posed by the multitude and complexity of laws to vote

Citizens will indeed be faced with the multitude and complexity of laws to vote, which implies serious demands on their time and dedication. However, as we have already stated, each citizen will only participate in the electoral processes that concerns or interests him or her. This will not damage or compromise the regime in any way. Furthermore, there is another solution designed to address this problem - so-called proxy voting. Citizens who want to feel involved in the political process could also have the option of choosing a representative who will exercise the right to vote on their behalf. This alternative to direct voting may appeal to citizens living through an extremely busy phase of their lives and to those who feel incapable of interpreting the content of the laws at issue, including people with a low level of literacy.

Typically, the representative will be someone who is directly involved in the political process and who may also be an expert, a representative of an association or an activity, a journalist, a political scholar, or simply a more conscientious citizen. In short, the representative will be someone with recognised analytical capabilities and someone who has the voters' trust.

If he or she so desires, each citizen will be able to choose in the Community Web Portal, not one but several representatives, depending on the type of law in question. For example, with regard to economic affairs, the citizen could choose representative "A" and for social affairs issues, he or she may delegate this task to Representative "B", and so forth.

For each law, it should be compulsory for the representative to have presented his position publicly. The system will

automatically send an alert, via e-mail, for example, or through the Community Web Portal, to all usual voters stating his or her public voting intention. This means that the citizen-elect could, at any time, change his or her voting intention. It is inherent in this model that the representative is someone who demonstrates availability and willingness to intervene in the political life of his country.

However, there is another distinct modality through which each citizen can designate, via the Community Web portal, a person to vote on his or her behalf. This will most often be a friend or someone whose ideas on a certain issue the person respects. For this to happen, the system will automatically send a warning to that person asking him or her to authorise another citizen to “copy” his or her voting intention. If this citizen agrees, then his or her vote will be counted twice. However, the “copier” will not have the right to know how the friend voted, unless the later willingly wishes to give out this information. The assumption here is that the citizen trusts his or her friend’s judgment.

It must be noted that this is just one more option that citizens have at their disposal.

The risk that harmful laws may be passed

There is a time-honoured myth that has always haunted referendums - the fear that these kinds of mechanisms may result in extreme, populist or dangerous measures. This fear is mitigated by the fact that, in this Ergonocracy Model, all citizens should be conscious of the fact that they have something to lose.

It must be understood that these risks are inherent in democracy. After all, Adolph Hitler and many other historical

figures like him, gained power through democratic representative elections.

Let us imagine an example in which a given citizen, supported by the minimum number of people requires to obtain a quorum, decides to propose a law to abolish all taxes, which, of course, will be popular with a significant portion of the electorate. In reality, however, few citizens will actually ever vote in favour of this measure because they will understand the demagoguery involved and should be previously informed of the consequences of this action.

For the purpose of this discussion, let us imagine another example where someone proposes that all salaries should be significantly raised. In reality, it will be highly unlikely for this law to pass, due to the fact that, according to the Ergonocracy Economic Model, all citizens are company partners and all entrepreneurs have the obligation to be familiar with the concept of a balanced budget. Voters will therefore tend to reject any type of interference of this kind in their businesses in the same way that they should also reject any measure that will cause any market instability.

It is for these and other reasons that the Ergonocracy model requires a large investment in the education.

Besides, it is essential not to underestimate people's intelligence and to avoid doing what most governments do, that is, hiding delicate issues for fear that citizens may not have the ability to deal with these problems. Moreover, citizens have often demonstrated their high level of skills in many voting situations and may continue to do so by resolving issues in a more direct way.

Countries that have already implemented some form of direct democracy, such as Switzerland, continue to prosper and

there are no records that harmful laws have ever been passed.

Semi-Direct Democracy systems already exist and are successful

In effect, citizens shouldn't be afraid to change the political system since Semi-Direct Democracy systems already exist having been very successful. One such example is the case of Switzerland, where the people have the last word on fundamental policy issues allowing the people to shape legislation and constitutional changes directly through initiatives and referendums. Whereas the Swiss political system has recourse to both direct democracy and parliaments, it is referred to as a semi-direct democracy.

And so, Swiss citizens vote several times a year on policy issues at the federal, cantonal, and communal levels. These elections are by secret ballot and are organised by the communes, which automatically register all citizens of voting age within their jurisdiction.

They already use some IT tools as ballots, and information on proposed laws are sent to voters by mail. These mailings include the government position and a summary of the arguments for and against the proposals. A large majority of Swiss submit their hand-marked ballots by mail. First tests with voting by internet or mobile phone have been conducted on a local level.

3.17 System's protection - application of the principle of transparency

In the concession-type system previously described, would-be offenders are very closely monitored. They will be

controlled not only by their own co-workers, but also by three different controlling companies. Besides, Concessionary Companies are controlled by their own Arbitral Council member, and Sub-Concessionary Companies are monitored by their own Concessionary Company. These protections act in conjunction with another mechanism that will be described later on, the concept that money should only exist in digital format so that all payments and transfers could only be made electronically, via home banking, ATM machines or Community Web Portal. In this way, no one could ever make any money transfers without leaving behind a tell-tale paper trail.

Thus, the only chance of corruption without a trace will be through transactions involving valuable assets. This will limit corruption because the possession of these assets should always constitute tangible proof of a crime.

There is another mechanism related to the principle of transparency that further discourages corruption: All data concerning Concessionary and Sub-Concessionary Companies should always be made public. This means that all information is posted on IT systems, and that what is seen as public should be publicly accessible. Not even notes regarding a simple, insignificant internal meeting should be concealed.

Only a few carefully pre-determined exceptional cases may be classified as secret and therefore should be safeguarded:

- Ongoing criminal investigations on the part of the investigative police.
- Ongoing investigations by controlling entities; however, research should be very short-term and, afterwards, immediately posted.

- Activities involving information services, which only can be monitored by the controlling bodies and by the Arbitral Council.

Besides this, all elected entities, such as Concessionary Companies, should only be required to disclose detailed information after they win the election.

3.18 Benefits and opportunities of this political model

Here are the advantages of the Ergonocracy political model:

- Citizens have total control over decisions made; for this reason it can be termed a truly democratic concept
- The focus will be on the content of policies, not on politicians' words
- It will allow citizens to feel closer to Global Community issues in which everyone can intervene without exception; it allows each citizen to have more or less participation, depending on the theme under discussion
- It will drastically reduce corruption
- The “common good” becomes a respected goal and “public assets” are better managed.

Concessionary Companies will carry out the management of all executive power in Public Functions. There can be no doubt that this form of organisation is cheaper and more efficient than representative democracy for the following reasons:

- Because each Concessionary Company will attempt to maximise its performance in order to generate its own Public Function income, this is because they are highly

motivated to activate new services that enable them to obtain additional revenue. When this is achieved, the Concessionary Company will be less dependent on Global Community Treasury income and will become more autonomous and efficient, increasing their own productivity and income

- Because it is more likely that each Concessionary Company will strive to expand and renew its mandates by proving that it can manage public resources efficiently while implementing popular initiatives
- Because Concessionary Companies are obliged to transparently disclose all of their ongoing activities; with a simple “click”, any citizen can find out from a distance everything that is going on with a Company’s projects (the exception here being that RFT’s would only disclose detailed information after the conclusion of the process, i.e. after the final decision had been announced)
- Because Concessionary Companies can be scrutinised at any time by controlling entities and by their respective Arbitral Council member, without any prior warning
- For all these reasons, it is apparent that the diverting of public funds to corrupt or fund irresponsible activities, will substantially reduce these chances.

The best opportunity to implement the Ergonocracy Political Model is at the present moment, as we are living in a period characterised globally by so much political disillusionment. Citizens can no longer identify with the way decisions are made by their representatives. What follows is a short list of

the reasons why democracy tends to fail:

- The term of office is:
 - Too short for the “democratic representative” to embark on responsible, long-term policies, as politicians do not want to run the risk that their successors will be the only ones to benefit from and take credit for the application of their policies; for example, in the education sector, short-term policies are often preferred so that visible benefits can be obtained during the mandate
 - Long enough to allow the “democratic representative” to follow his or her own agenda and objectives; these interests do not necessarily coincide with those of the people being represented. Politicians know that they can always count on the usual strategy: at the end of their mandate they enact a few popular measures to swing public opinion in their favour, as the myth that voters have short memories actually holds true; even if this strategy is not successful, at least the political leader had the opportunity to enjoy the benefits of power on his or her own terms.
- Popular voting is not only employed to elect a Prime Minister or a President. In fact, voting includes an entire, broad “package”, ministers, secretaries of state, etc. In present democratic governments, these officials are supposed to represent citizens’ preferences, though in reality it is the leader who chooses his team once he or she is elected; this means that citizens do not have the right to know the composition of the team that will lead them throughout the mandate, as they only voted

for the leader.

- When each party presents its political programme, a large package is produced that contains redundant information along with many objectives and good intentions that focus on the “What” but not the “How” of getting things done. Therefore, very few voters end up reading these documents, when in fact, this information should be the most critical element used by citizens when choosing their representatives. Besides, few politicians have ever followed their electoral programmes, which they seem to forget about as soon as they win the election; one of their most popular excuses is that the situation they encounter after coming to power is quite different from that faced by their predecessors. So, what matters most is convincing voters that the current "situation does not allow us to fulfil our promises".
- Even if politicians were "forced" to fulfil their electoral programmes, each citizen, before deciding how to vote, should have to analyse the various packages of proposals that make up each candidate's electoral programme; voters will most likely agree with certain proposals put forth by a given candidate and disagree with others. This is a very serious limitation, as voters can only choose a single package, which will inevitably include a few proposals with which he or she does not agree.
- Another important reason why democratic organisations tend to fail, rests with the inherent logic that prevails in the management of public institutions; these institutions, in fact, belong to everyone, and as

they say, what belongs to everybody belongs to no one. This feeling of detachment places these institutions in a vulnerable position in terms of their management, which is often taken over by the strongest leaders; in many cases, an institution's top management ends up employing "gang logic", which can have several implications:

- This lack of accountability and reciprocal exchange of favours gives rise to a so-called "logic of favours payment" (payback system)
 - In keeping with this "logic of favours" system, each member can only rely on his or her core political group members; it is very difficult for a new-comer to gain entrance into the core
 - It should be noted that all honest politicians who choose not to participate in these games are gradually ostracised and labelled as too "independent" and "uncooperative", as they cannot be controlled by the party structure; this state of affairs can also be seen at play in the traditional means; commonly used by parties to obtain funding.
 - For these reasons, a member will only have the chance to participate in top management organisational roles if he or she belongs to the same core as the leader who controls the assignments. Also, there is less risk of being denounced, as the potential complainant can be co-opted and given a role in the organisation, which, in effect, is using public money to buy his or her silence.
 - These groups work together based on trust, which is built into the early stages of their public lives;

afterwards, this nucleus tends to rotate through several positions throughout politicians' careers; they usually tend to maintain the initially defined hierarchy.

3.19 Conversion of traditional institutions

There is neither a magic formula nor a deterministic process that will ensure a smooth transfer of traditional institutions to the Ergonocracy political model, as each country must find its own way and create its own decision-making system.

People should first choose to implement the Ergonocracy regime by means of a referendum in which a qualified majority of citizens vote in favour of this change. The next phase will consist of following the judicial steps necessary to amend the constitution of the existing representative democracy, replacing it with a new Ergonocracy "Constitution". This new "constitution" should spell out the fundamental characteristics of the political, social, economic and judicial Ergonocracy models as well as the major steps and time frames required for a gradual implementation of these models.

Obviously, changes that are too abrupt could lead to dissatisfaction and general opposition, which will eventually kill the Ergonocracy model at birth. On the other hand, changes that are too slow could bring about widespread disaffection and loss of enthusiasm. The delicate issue of timing is, therefore, a crucial element in this process, as expectations have to be properly adjusted.

In a later chapter, an empirical method called the "Three stage method" is proposed in which three indicative phases for the implementation of political, social, economic, and judicial

Ergonocracy integrated models will be described.

It is elementary common sense to say that so-called developed countries are better prepared to adopt an Ergonocracy regime, especially because citizens enjoy a high standard of living, are well educated and all of their primary needs are met. However, in these countries the motivation for change is much lower compared to developing countries, because so-called developed countries have already reached a certain level of comfort and security and will therefore tend to avoid risking any change that could threaten the standards achieved.

Thus, there will probably be a greater desire for change in countries whose populations live desperate lives in a climate of crisis where the risk of civil or external war is a constant and where many basic goods are scarce. Given these conditions, it is strongly recommended that these countries do not proceed with the implementation of Ergonocracy models, as they are not in a position to successfully implement this new regime. Incidentally, no political regime can be successfully implemented in an impoverished area, as economic problems need to be dealt with first. In the event that an ill-prepared country persists in attempting to implement Ergonocracy, the image of Ergonocracy could be threatened, since detractors will take the opportunity to pounce on this “evidence” to conclude that the concept was unworkable. They will attribute the failure of the model to its content, which is inaccurate and unfair, as the success of the project would have been doomed from the outset.

Given its dimension, the fact of being a federation, and also its political complexity, the political organisation of the United States according to Ergonocracy principles should be applied in such a way that each Global Community should correspond to

each of the 51 states. The federal government could be replaced by another structure chosen among the Ergonocracy system. The Senate may continue to exist in order to fulfil its role of representing each state. The great question is whether there should still exist a President or not, being that this question will have to be answered by the people. However the existence of a President is contrary to Ergonocracy principles.

4. The Ergonocracy Social Model – The Local Community

4.1 Characterisation

In the previous chapter, we explained the Ergonocracy political model for the Global Community, focussing on topics related to all citizens.

In this chapter, we will tackle the social aspect, namely the Local Community, covering all aspects that are closely related to each citizen, including his or her residence, building, street, neighbourhood, and city.

The Ergonocracy Local Community replaces what in Western democracies is called the City Council. It proposes a new Local Community management model that will use similar direct democracy principles and mechanisms to those that have already been suggested for the Global Community. This includes the principles of dilution of power and total transparency. Also, a Concessionary Company chosen by the citizens, will handle the management of the Local Community.

As in the Global Community, communication among citizens and the various players in the process occurs via the Community Web Portal, where there will be a specific tab to that effect acting as a gateway for the citizen. This link will redirect a person to a sub-portal managed by the Local Community Concessionary Company. In this case, citizens will only be able to see the issues concerning their own Local Communities.

It is possible that Local Community management may only

deal with the daily activities of a specific geographical area. However, in Local Communities whose citizens so decide by a qualified majority vote, it is possible to extend this concept. Thus, the Local Community can be associated with a particular theme or common interest, becoming a Local Community of Common Interest. Therefore, two types of local communities⁴¹ can coexist:

- Neutral local communities whose management is handled by a Concessionary Company that will limit its activity to the current issues in its own geographical area, regardless of any thematic character.
- Local Communities of Common Interest, which combine a “Thematic Association” with the Local Community’s activities.

Thus, a Local Community of Common Interest is defined as a Local Community sustained within a delimited geographical space where people sharing common interests live together and are able to set a desired profile for new neighbours, selected according to the criteria chosen by a qualified majority of constituents.

This chapter also covers a new Habitation Model, which allows each citizen to invest in a “deed of habitation”, which simultaneously allows for increased mobility.

All these concepts will be described in subsequent chapters, starting with the basic principles on which the models are formulated.

⁴¹ *Not to be confused with the vernacular thematic Associations that have always existed and still exist.*

4.2 Underlying principles

The principle of mutual identification

It is understood that most disputes between neighbours result from the fact that people with completely different lifestyles and interests feel like they are forced to live among people they do not understand or identify with, which can sometimes create feelings of fear or spite.

For example, a community that harbours people who are usually noisy and enjoy nightlife tends to be more tolerant, accepting behaviours that would be frowned upon in communities whose residents favour a more quiet and conservative lifestyle.

It is logical to assume that, for every human being, the more he or she identifies with others, the more integrated he or she will feel. This applies to those living in a Local Community. Similarly, our individual freedom will vary according to our level of integration and identification with the people in our Local Community. As our tastes and preferences are similar to those of our neighbours, there is less risk of any mutual discomfort or misunderstanding.

It is in this framework that this Ergonocracy Model: Local Communities of Common Interest is presented. Its aim is to facilitate and create the conditions for the harmonious co-existence of people with similar tastes and lifestyles.

The principle of the rejection of a sedentary nature

As previously mentioned, over hundreds of thousands of years, human beings, in their continuous evolutionary process, became accustomed to being nomadic, living according to

nature's cycles and adapting to climate changes and the migrations of their prey. It was in this context that the longest period of our evolutionary history occurred.

Throughout countless generations, nomadic tribes wandered across the planet, establishing temporary settlements. The length of their stay was proportional to the abundance of resources and dependent on natural and climatic conditions.

These were primitive communities that practiced polygamy and believed that children belonged to the tribe and not to any family in particular. Of course, once leadership was established, all interpersonal violence decreased because people felt very close to others, partly because they perceived the tribe as if it were - and often it was indeed - their extended family. And so, the sense of mutual assistance tended to be much greater in such communities.

The humans of today are a result of an adaptation to these nomadic characteristics. In fact, people first became sedentary only during a small fraction of our recent evolutionary path, i.e. about ten thousand years ago, with the invention of agriculture and the founding of the first permanent settlements. We are a product of hundreds of thousands of years of nomadic tribal evolution and, therefore, the last "sedentary" ten thousand years, has had little influence on our nature. In conclusion, we ought to take our nomadic and tribal nature into account, especially when defining these Ergonocracy Models.

Logically, this sedentary phase, although it was inevitable, is the source of most of humanity's problems, because humans have not entirely adapted in evolutionary terms to the consequences of this new reality. So, we must also consider that this sedentary phase is directly responsible for the following:

- The existence of feelings of territorialism and nationalism, which are the causes of most wars.
- The existence of negative feelings over property ownership and in particular, land ownership, which have caused humans to become increasingly selfish. Consequently, this has contributed to the exploitation of others, because now that someone has become the owner of a given parcel of land, he or she feels entitled to charge a share of the crops to those who farm the land, though he does nothing to contribute to the crop yield.
- The existence of the concept of power, with the inevitable emergence of leaders, including their armies, wars and privileged classes, which typically included members of the clergy.

The nomadic spirit is more present in some people than in others. Nonetheless, it is desirable that each person has freedom of choice in order to stimulate his or her best qualities and to maximise the adaptability of each individual to his or her surroundings.

Thus, the Social and Local Community Ergonocracy Model takes into account the circumstances and the framework of the technological age in which we live so that it can present a paradigm that will help to recreate the true nature of human beings. These issues of mobility and community integration are dominant criteria. It is in this framework that the housing model, which takes all these criteria into account, will be presented later in this book.

The principle of non-proliferation

The Social and Local Community Ergonocracy Model assumes a maximum number of human beings within a given environment. This is recommended not only for environmental reasons, but also especially because of sociological objectives, in accordance with the principle of the rejection of a sedentary nature as described above. This matter is explained through the following two principles:

- If it is true that human beings are adaptable by nature, then it is also true that they will be good if their surrounding environment encourages mutual assistance, altruism, and kindness, and provides no reason to feel any fear or anxiety. The reverse is also true. Environments with population in excess can cause people to develop defence mechanisms. This can lead to tension and the potential use of aggression.
- It is also important to consider the principle of human performance. This is the notion that every human being is unique and possesses value and dignity. This concept is applicable in a context where human resources are a “scarce commodity”. This emphasises the notion that this type of resource tends to be better appreciated. This principle will also be highlighted in the Ergonocracy Economic Model, which will be discussed later in this book.

4.3 Local Community management

The Local Community management model

Each Local Community will have the autonomy to organise

and manage itself the way its citizens prefer, whether they belong to a Neutral Local Community or to a Local Community of Common Interest. However, the Global Community has the obligation to set out an up-to-date list of all the best practices in each technical Local Community area of activity and to help the Local Community in these activities.

There are some basic principles that all local communities should follow. These consist of similar mechanisms to those that have already been established for the Global Community, namely:

- The election of a Concessionary Company responsible for managing the Local Community during a standard four-year mandate, which will be annually confirmed at the same time the budget is approved.
- Subjection to established monitoring mechanisms, including the controlling entities and the Neighbour Commission.
- Communication will be established through the Community Web Portal, with total transparency, so that each citizen can consult any desired information.
- All citizens are encouraged to participate by voting in decision-making processes, by presenting proposals and suggestions and by reporting irregularities, which may or may not involve signing petitions, etc.

Local Community laws will be divided into the following types:

- General laws (subject to the vote of every citizen in the community) or
- Partial laws (an office building, a street, a

neighbourhood, etc.).

A partial law will only be voted on by the constituents it applies to, unless the issue for some special reason is a broader one.

Local Community size

Local communities can expand into new, larger areas or they can split up into several smaller communities provided that such decisions are made by an overall qualified voting majority of the residents in these areas.

So, the size of each Local Community will be left to the decision of its citizens, regardless of its size at the time, or the number of inhabitants. However, if it is too small, it will not benefit from any economies of scale and its management costs will certainly increase. Residents will be directly responsible for such costs.

Thus, Local Communities may have very different characteristics, especially in terms of population density and size. In addition, some communities require a lot of maintenance and care, while others do well with little maintenance and require only basic necessities.

There are two types of small Local Communities:

- Those located in rural areas with small populations.
- Those in urban areas, but separated into independent communities.

In both cases, the best measure is to establish agreements with surrounding Local Communities, define service agreements, and invest in common infrastructures and integrated projects. This will allow for shared costs.

Also in the case of small Local Communities, their respective Concessionary Companies will be much more dependent on neighbouring Local Communities, with whom they will have to establish agreements for most services.

The Scope of the Local Community

To simplify the understanding of this process, imagine the Concessionary Company acting in a way similar to an ordinary condominium management company. For the Local Community, this provides the advantages of proximity and fosters a spirit of mutual assistance. Still, however, the Concessionary Company should deal with more complex issues and hold more responsibility.

The services provided by the Local Community Concessionary Company will provide a wide array of services, including the management of its own condominium or office building. However, each building's residents will have the right to refuse such a service, and come up with another solution.

The Local Community Concessionary Company must also provide each of its citizens with separate, basic service contracts, such as cleaning, repair services, etc. These corporate agreements should be previously negotiated so that each resident has the option to decide on the preferred services to use.

In theory, this can benefit the resident in terms of costs because deals are negotiated among a wide range of households. There is also the advantage of lower costs for the service provider, given the proximity of customers and the synergies, cost reductions and economies of scale that may arise in the process.

Besides, it allows citizens the advantage of having only one mediator, a single contact, for resolving most problems.

Using the same reasoning, it makes sense to allow the Concessionary Company to negotiate with all service providers in order to choose the best one for each of the services: water, electricity, gas, and so on.

Of course, the payment of such services must be guaranteed by each resident. The Local Community Concessionary Company should act only as a negotiator and controller, also taking on the responsibilities of invoicing and centralised billing⁴².

Local Community relations with the Global Community

The Ergonocracy Political Model defends the notion that each agent must carry out the functions for which he or she is best qualified. This is the reason why every Local Community must manage all the components related to Community Affairs.

However, it is clear that there are synergies, skills, and know-how that only exist within the Global Community. These are responsible for the efficiency associated with results derived from economies of scale. So, for each technical sector, the Global Community must provide the technical guidelines and standards that are considered the most appropriate, which, among other actions, requires providing information and training to Local Community technicians and providing technical advice upon request for a moderate fee.

Next, some of the actors in this process, namely the

⁴² This concept is connected to another model which will be explained later in the Chapter "Technological and Commercial Models", more precisely in the sub-chapter "Domestic Services".

Concessionary Company and the Commission of residents, will be examined.

Local Community Concessionary Company

The Local Community Concessionary Company will take on the following responsibilities:

- Identify problems, promote and propose solutions and submit them through a voting request process via the Community Web Portal. Urgent problems or issues that have a simple, direct and cheap resolution will not require a voting request, but will have to be registered in order to be followed up at a later stage.
- Carefully manage available resources and ensure the provision of various services to the Local Community, which can be achieved:
 - o By its own means.
 - o Through other subcontractors, that is, other Sub Concessionary Companies.
 - o By establishing partnerships with neighbouring Local Communities in order to obtain mutual synergies and economies of scale. The Local Community Concessionary Company is obliged to submit, as a voting request any proposal presented by these neighbouring Local Communities.

The choice of the best of these three options will depend on the size of the Local Community, its needs, its investment budget, and especially the pre-approved programme.

- In addition, the Local Community Concessionary Company should interact with all other public utilities

Concessionary Companies, for example, for the construction of schools, hospitals, etc.

- Coordinate the implementation of the pre-approved programme strategy and promote the implementation of all new projects.
- Nevertheless, for each new project that involves additional costs or revenue alterations, the Concessionary Company will have the obligation to submit a voting request.
- Monitor and assist the Global Community's administrative staff and technicians whose projects are being undertaken in its area of influence, e.g. the construction of roads, pipelines, etc.
- Interact with citizens and respond to all claims and queries, serving as the "bridge" between citizens and service providers.
- Manage all financial processes, including payments, accounting, invoicing and local tax collection.

Neighbour Commissions

Every Local Community is supposed to elect its own Neighbour Commission, which will play a similar role to the Arbitral Council in the Global Community political structure.

The Neighbour Commission's most important task is to promote and organise the Local Concessionary Company's electoral process. This entity will not hold any decision-making power, and will only be responsible for the coordination, intermediation and controlling of assignments.

It is usually from the members of the Neighbour

Commission that a candidate for member of the Arbitral Council is chosen.

Members of the Neighbour Commission may receive a salary, but the citizens of each Local Community should decide on this issue themselves.

Financial management

As mentioned before, one of the aims of the Concessionary Company is to guarantee all the accounting, reporting, invoicing and collecting of all local taxes from each of the Local Community's citizens. Local taxes are completely separate from Global Community taxes, as these are solely related to the Local Community's activities. In fact, the Global Community's Treasury is completely independent from all the Local Communities' financial structures and vice-versa.

Therefore, the Local Community Concessionary Company will have to assume all costs and share them with residents. In terms of costs, there are two distinct types:

- Fixed costs: these correspond to certain amounts that cannot be directly applied to each consumer, and so the total amount will be shared among households⁴³
- Variable costs: these correspond to costs that each consumer is directly accountable for, and so these costs will be invoiced to each household, and rates will vary according to direct and proportional consumption.

Thus, the monthly invoice for this local tax should clearly specify these two components and all the calculations should

⁴³ According to each country's policy, a formula may exist with an indexing proportional factor to the income of each household, which will also take into account the number of family individuals and the value and size of the property concerned.

be clarified, for it is understood that citizens have the right to know exactly what they are paying for.

This invoice, which may be electronically sent to each citizen by e-mail or as a reminder message on the Community Web Portal, would itemise every parcel and specify the origin of all costs for each of the above mentioned components:

- Value of Local Community Specific Services and investments:
 - Share for each household (percentage)
 - Partial value
- Value of (his) city specific services and investments:
 - Share for each household (percentage)
 - Partial value
- Value of (his) neighbourhood specific services and investments:
 - Share for each household (percentage)
 - Partial value
- Value of (his) street specific services and investments:
 - Share for each household (percentage)
 - Partial value
- Value of (his) building specific services and investments:
 - Share for each household (percentage)
 - Partial value
- Value of his apartment:

- o Property specific services (including all ordered services, and in this case there should be no need to itemise).

Property specific services (including all ordered services, and in this case there should be no need to itemise).

The total value to be paid by each household will be the sum of all the above-mentioned partial values.

The share for each household will vary mostly according to the total number of citizens in each zone, and should reflect the relative ownership of this specific household compared to the group of households as a whole. Each citizen should only be responsible for the costs related to projects from which he or she did, in fact, benefit. For example, maintenance costs for the public structures network as well as the administrative and management costs charged by the Concessionary Company, are considered high-level costs (at the Local Community level) and should therefore be paid by all residents in that Local Community.

Investments that have a “neighbourhood” character should be paid for by the neighbourhood’s citizens, and so forth. Investments made with the intent to serve two or three neighbourhoods should be paid for by citizens residing in those areas.

Logically, all costs related to building maintenance should only be charged to that building's residents.

Regarding costs related to units’ services, those that had been requested directly by each citizen, should clearly be exclusively allocated to each consumer household.

As stated in previous chapters, it should make sense to include in this parcel all household utilities, such as water,

electricity and gas, as they are directly consumed per household.

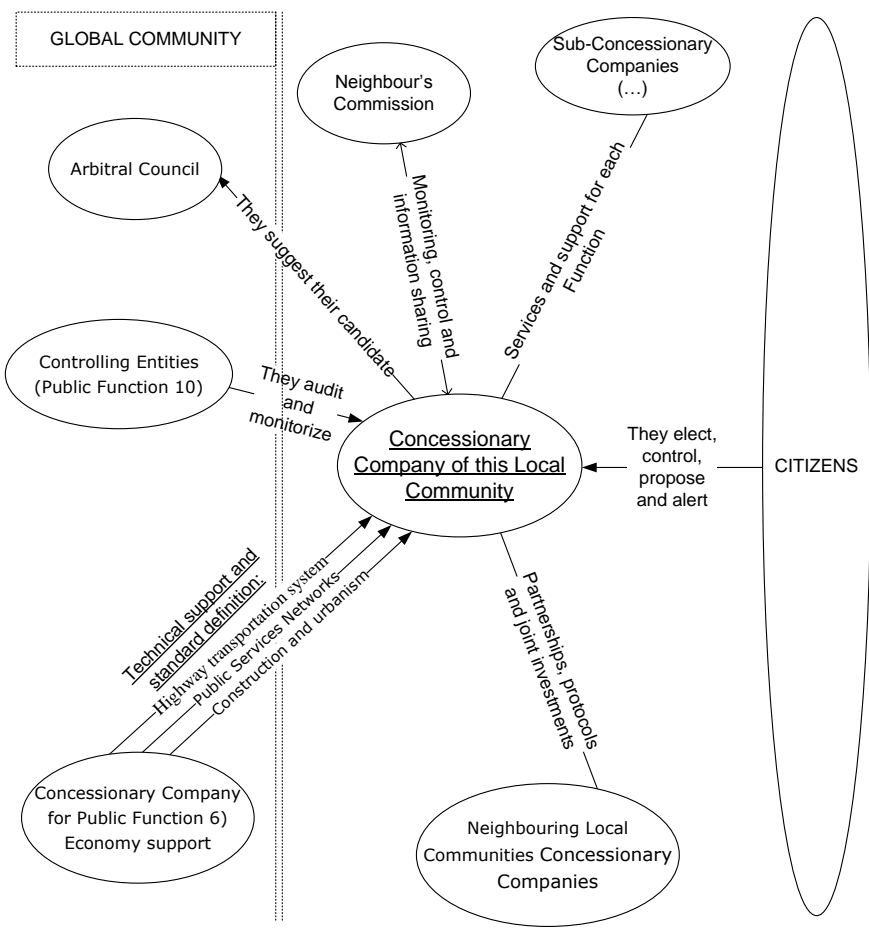
The advantage of this model is that each Local Community could have greater negotiating power, allowing it to make better deals from service providers. In this context, it will make sense, taking economies of scale into account, that only one service provider will be selected for a specific service in each Local Community.

One of the Local Community Concessionary Company's assignments will be to ensure the correct building and usage of ground structure networks by each of the providers, and try, whenever possible, to promote joint projects to avoid disrupting the lives of citizens, which often happens.

As mentioned before, each country can implement a formula with an index that is proportional to household income, so that richer people could contribute more. Of course, this is a delicate political issue that has nothing to do with Ergonocracy, and should be decided by a qualified majority of the citizens.

4.4 Diagram with an example of a Local Community

Here is a diagram showing the potential operation of a typical Local Community:



4.5 Two innovative models

As stated before, Ergonocracy models aim to recreate the true nature of human beings. Therefore, they accept and attempt to facilitate our nomadic lifestyle, which is in harmony with our current evolutionary phase. In line with this

framework, we present two innovative models:

- The Local Communities of Common Interest Model - this model intends to encourage and foster a feeling of identification with and integration of a neighbourhood in order to create social harmony, both in terms of lifestyle and common values.
- The Housing Model - this model promotes citizen mobility so that he or she is able to easily change residence. This will allow people to try several different environments and communities, until they are sure that they have found the right solution to maximise their overall level of satisfaction and effective integration into a community. If citizens felt that the community where they moved to did not match their expectations, they should have the chance to move somewhere else, without any major costs or administrative barriers.

The joint implementation of these two models⁴⁴ will constitute a powerful tool that could help minimise conflicts and friction among people by promoting conditions for open communication and a general well-being.

4.6 The Local Communities of Common Interest Model

How these Communities work

In each Local Community of Common Interest, interests are chosen and selected based on criteria determined by a qualified majority of its constituents.

⁴⁴ It should be noted that there is no impediment to the implementation of the Housing model in a neutral Local Community.

Therefore, a Local Community of Common Interest, through the choices made by the majority of its citizens, could define its own internal rules and establish a set of rules for social co-existence. For example, each Local Community could set its own noise regulations or even decide to abolish all noise restrictions. In fact, this all depends on the profiles and desired lifestyles of those living in the community.

Thus, each Local Community of Common Interest will need to decide, through a voting process, the type of common infrastructure investment for the city, neighbourhood, street, etc. that it wished to adopt.

In the case of a condominium complex built from scratch, there is the advantage of allowing citizens to define the type of architecture to be used, which could be designed to meet the demands of the members of that specific Local Community and reflect their characteristics and preferences. This is because people will be living in communities with similar affinities and common social rules.

Thus, the characteristics of each type of accommodation as well as those of the Local Community should be properly explained in the sales or lease agreement so that each individual has the option to fit into the community whose rules he or she agrees with. The reverse is also true. The Local Community will have the option to accept or not, the citizen for the same reasons. In this case, it is clear that nobody can claim ignorance of the community's rules, and each new resident should implicitly accept them when choosing to reside there.

Therefore, completely open communities can be created where members are highly participative and willing to collaborate with each other while, at the other extreme, other communities will exist whose members prefer to live apart

from each other and remain completely independent. It is in this framework that it makes sense to define the type of architecture as a result of these and other factors.

In addition, communities with specific common interests will be formed, for example, those related to sports, social issues, arts, aesthetics, sexuality, etc., which may require an investment in infrastructure in order to create the right conditions for the implementation of common interests.

It should be noted that each Local Community is free to choose more than one common interest. However, the criteria which define the common interests can never be related to gender, race or social condition, yet may stipulate that they accept only the followers of a certain religion. For example, a community can implement a restriction to accept only new neighbours who are members of a particular religion or belief, but no community should have the right to expel any residents who were already residing there before it became a Local Community of Common Interest. It will also be possible to take sexual preference into account, provided that this criterion is directly within the scope of the common interest in question, for example, if the common interest concerned the practice of polygamy and group sex, then this requirement will need to be defined at the outset.

Citizen's profiles

The Local Community of Common Interest, in addition to the common interests as the main vector, could also stipulate an ideal personality profile for its members, distinguishing between outgoing, sociable people and timid, isolated people. Besides this, it could define the lifestyle of its affiliates, in which case the classification matrix will vary according to the

following types of common interest examples that these communities can define:

- Sports activities
- Radical activities
- Social activities
- Cultural activities
- Musical activities
- Artistic activities
- Sexual activities
- Aesthetic activities
- Religious activities, etc.

On the other axis there is the lifestyle of its affiliates:

- Introverted people versus sociable people
- “Night owls” versus “early birds”
- Noisy people versus quiet people
- Frugal people versus “big spenders”

Local Communities who decide not to promote any common interest in particular will be designated as neutral local communities whose Concessionary Company should limit its activity to everyday management within its geographical boundaries, as is the case today with city councils. Unlike Local Communities of Common Interest, these communities could lack a thematic quality, and could govern themselves with a more generic set of social behaviour rules, which, by default, the Global Community should apply in such cases. This happens today in most western democracies where the

central government defines generic social rules.

In conclusion, neutral Local Communities could be more limited when agreeing on common investments in their community, since they could find it hard to reach a consensus because residents will most likely be people of all types and origins.

4.7 The Housing Model

Characterisation

The Ergonocracy Housing model is an alternative method of housing acquisition and its primary purpose is to provide the citizen with more mobility.

Since the late 20th century, there has been an increasing tendency for people to acquire their own homes in many countries. This is most likely because it is a secure and efficient form of investment, which for most families is the greatest asset. On the other hand, home leasing has become less popular over the years.

However, buying a home has the disadvantage of immobility, “imprisoning” each family in a specific physical space. Although most banks allow clients to sell their homes, there is usually a minimum time period. In fact, during the first five to ten years after the purchase the client is not allowed to sell. Even if the client is allowed to sell, he or she has to wait for the house to be sold, which usually takes time. If the person does not want to wait, he or she still faces the prohibitive situation of having to pay back two monthly amounts: for the old and the new homes. Some banks are willing to finance this transition, but even in this case, the client still has to pay the

corresponding costs.

Thus, changing residence is a difficult, expensive and time-consuming process.

This is the context in which the Housing Model is proposed. The Housing Model consists of a new acquisition mode of a real and permanent housing title for lifetime use, similar to a “time-share”, but the primary difference is that the home in question is to be inhabited for as long the client wishes.

The similarity to a resource sharing “time-share” is the fact that the client is able to continuously change homes in an easy manner, if he or she so wishes. The homes to be exchanged will have to be classified within the context of a contract.

The citizen holding a Housing Right Title, or HRT, will be able to trade, inherit or swap it. Its value will be determined according to the type of housing contract and the amounts previously paid for it. Therefore, this permanent HRT is designed to be used for life and should be supported in a specific contract which should define the type of housing commissioned.

These housing types could vary according to the home's real estate market value. The following types could be listed, for example:

- Type A – Homes valued below 100,000⁴⁵
- Type B - Homes valued between 100,000 and 120,000
- Type C – Homes valued between 121,000 and 140,000.

There could be successive and incremental types, at

⁴⁵ *The currency in question is not relevant since this is just one example to help illustrating the concept.*

intervals of 20,000, until this process reached a threshold limit, for example:

- Type W – Homes valued above 581,000.

Regulatory Entity

This could be managed by a single Regulatory Entity that will ensure the application of all sector regulations and assist the courts in legal processes, including lawsuits. This Regulatory Entity could be managed by a Sub-Concessionary Company which will be monitored by the Concessionary Company responsible for Public Function: “5) Civil justice, Registrations and Community Web Portals”.

In terms of housing demand

In terms of housing demand, citizens should express their intention to purchase an HRT title directly to the above-mentioned Regulatory Entity.

When a citizen purchases an HRT, he or she can choose to pay the entire amount, if the person is financially capable of doing so, or choose to pay it in monthly instalments.

If he or she chooses to pay it in monthly instalments, the process will require the involvement of a financial entity (bank). In order to assure the Mortgage loan⁴⁶ the HRT itself could act as collateral, serving as a loan payment guarantee.

⁴⁶ A mortgage loan is a loan secured by real property through the use of a mortgage (a legal instrument). However, the word mortgage alone, in everyday usage, is most often used to mean mortgage loan. A home buyer or builder can obtain financing (a loan) either to purchase or secure against the property from a financial institution, such as a bank, either directly or indirectly through intermediaries. Features of mortgage loans such as the size of the loan, maturity of the loan, interest rate, method of paying off the loan, and other characteristics can vary considerably.

The bank could also determine the maximum value of the loan according to the citizen's income, and so the type value will have to be less than this maximum value.

After the bank approved the loan, the Regulatory Entity could insert the citizen's name into a global buyer database, stating the type of home and all the desired features. The value of the loan should always be the average value of the type in question. For instance, a Type C Title could cost 130,000.

The Regulatory Entity will have the obligation to reimburse the bank if the citizen fails to make payments on the loan and will repossess the Title.

In terms of housing supply

In terms of housing supply, each citizen or company wanting to sell real estate will also have to contact this Regulatory Entity, whose first action will be to appraise the property and assign it a type category. This appraisal should be done according to pre-defined global standards that take into account every possible feature of the property. If the seller does not agree with it, he or she may always back out of the process.

After this step, the Regulatory Entity could place the property on a global property "for sale" list and, at the same time, pay the HRT corresponding appraisal value, deducting the selling expenses⁴⁷ and a risk premium fee⁴⁸.

The property could then be advertised and this information will be accessible online to all potential buyers, especially

⁴⁷ These are the expenses that real estate property agencies usually take, about 5% of the total value.

⁴⁸ The Regulatory company may take some time until it manages to sell the property and so this risk premium fee serves to protect the Regulatory Company in relation to this risk.

those who hold an HRT Title without being assigned to a home.

How this market works

Most potential buyers could prefer to seek properties within their assigned type. They also may take certain features into consideration. For example, they may want to buy a property located in a certain Local Community of Common Interest, so that they could try something new.

When a citizen finds a property that he or she really wants to buy, three situations may occur:

- The desired property's HRT Type Title could correspond to that of the buyer; in this case, everything will be simpler and the process could be implemented as previously described.
- The desired property could correspond to a higher value title than that of the buyer; in this case, the citizen could contact the bank to request a loan increase, whose acceptance will depend on the citizens' income. If it agrees, the bank must inform the citizen of the new monthly fee and the citizen will have to officially accept. After this process, the citizen's title will be upgraded, for instance, from type E to type G.
- The desired property could correspond to a lower value title than that of the buyer; in this case, the citizen will have two options:
 - o Decide to move to the new property and maintain the current HRT Type. This could be the best decision because the concept is designed to promote mobility, and it is always possible that the citizen may change his mind again in a short period of

time. Besides, a monthly payment is essentially a financial investment, because it is not about buying a home, it is about investing in a Title.

- o In spite of the above-mentioned facts, the citizen could always choose to downgrade his title to match the title of the new home. To do this, he or she will have to contact the bank and formally change the type of title. The advantage is that the monthly fee could most likely decrease.

In all three cases, after the buyer decides to buy a new home, to formalise the deal, he or she will merely have to visit a registration office and present the required documents.

All HRT contracts will have a thirty-year validity period. After thirty years, the title value amount is considered fully paid. However, the owner will still have to keep paying a fraction of the initial value, perhaps ten percent, for every successive ten-year period, in order to continue to benefit from participating in this scheme.

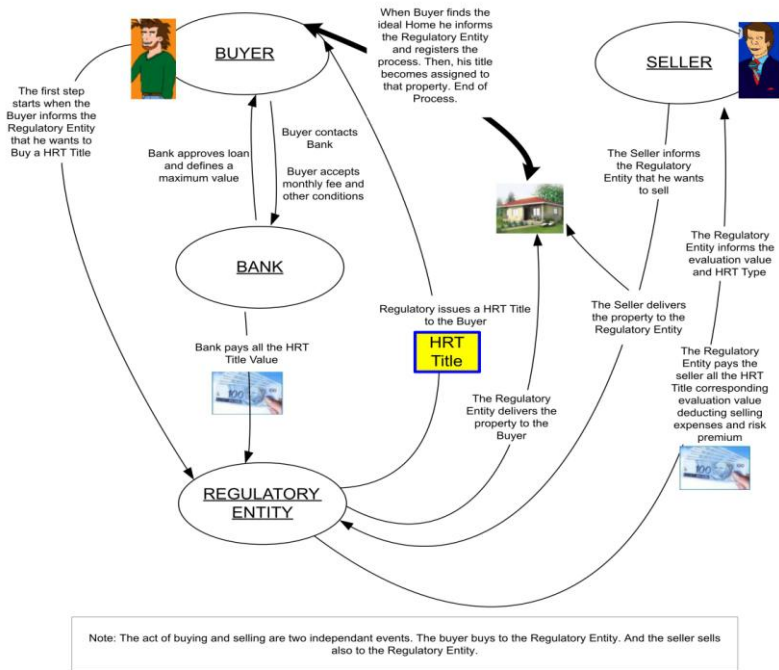
So, if the buyer initially requested a loan from the bank to finance the cost of the HRT Title, the mortgage loan period should never surpass thirty years.

It is important to mention that a seller can decide to sell an HRT Title at any time, but before this can happen, the property must first be sold through the process described above. In this case, the money paid by the new owner will first go to the bank in order to pay back any outstanding debt. The remaining amount will be paid to the seller. Then, the seller could opt to sell his title in the real estate market where he may get a fraction of the title's nominal value. This could depend on the number of monthly payments that have already been made. In this case, the new owner will pay the agreed amount and take

the place of the title's previous owner. He or she will need to contact the bank and settle the corresponding monthly payment fee. The financial institution will have a say in the matter if the new owner is in a higher risk category than the previous one.

HRT Process diagram

The following diagram illustrates how this model may work:



Conclusion

The great advantage of the Housing Model is that a person will only have to buy a HRT instead of having to buy a house, which is much simpler and less risky. After owning a HRT title

the citizen may choose to change home as many times as he or she wants to.

The Housing Model offers an alternative for property buyers and sellers who want to do business. In fact, all other facets of the real estate market, such as the traditional buying and selling of properties, as well as renting properties, should continue to exist. The model is just one more approach.

The advantage of the Housing Model is that it aims to increase mobility in the real estate context, and makes it possible for each citizen to experience living in different Local Communities of Common Interest, as each community can provide specific features or qualities. With this model, it is easier to change our minds about where we live. Thus, the residents of the Global Community, not entirely nomadic, could have much more mobility or at least they will have the illusion of such mobility.

This model also goes along with another global tendency, also considered by Ergonocracy models, in which most professional activities can be performed from a distance, and the worker's presence is not required at the company's office. This allows people to work from home, thus widely increasing the range of possibilities for homebuyers as they can live anywhere they please.

4.8 The Advantages of these three combined models

As a result of the implementation of the Ergonocracy Social Model, or more precisely, the joint implementation of the three models, Local Community Management, Local Community of Common Interest, and the Housing Model, the following main benefits can be achieved:

- Tight Control over Local Community management.
- Greater fairness in terms of cost allocation
- Increased mobility.
- Easy integration of citizens into a neighbourhood.
- More freedom for individuals while also consolidating the rights of groups and those of individuals.
- Local Communities of Common Interest allow:
 - o The implementation of appropriate architecture and the provision of efficient infrastructure investments based on the common interests of residents.
 - o Cost reduction and less time spent in traffic, because people could reside near the places where they spend most of their time.
 - o The creation of thematic development clusters and business opportunities for production or consulting activities related to the thematic area concerned, thus contributing to the economic development of the Local Community.

These models aim to provide the best of both worlds, namely giving a citizen a chance to make a solid financial investment in the real estate sector while at the same time affording him or her the flexibility to change his or her residence easily, without incurring any major costs.

5. The Ergonocracy Economic Model

5.1 Characterisation

Framework

The times in which we live are characterised by a lack of confidence on the part of most economic agents. The capitalist system has gradually weakened, which has led to successive economic and financial crises brought on by many factors: over-production and strong competition, basic errors in banking regulation⁴⁹, excessive public debt, and, most notably, cyclic speculative crises.

The capitalist system has not been able to overcome these crises. We have therefore become global witnesses to an increasing rate of impoverishment of the middle class, a fact that is aggravated by unemployment.

Some adjustments have been attempted, especially in financial activity, but these measures are as effective as palliative care for a dying man. The crisis is global and affects both rich and poor countries. The problem is further aggravated by the special demands and efforts that are required to protect the environment and combat climate change. The response to these crises has been to raise taxes and cut public spending, which has led to widespread demonstrations of protest in several countries. These have been joined by anti-globalisation movements, environmental protection movements and protests by the unemployed and disgruntled employees. People take a

⁴⁹ *Especially in the granting of bank loans and other related financial products.*

reduction in their accustomed living conditions very seriously. Furthermore, the trend is these problems get worse, which has generated a global context of hopelessness.

If this situation persists, there is a serious risk of violent revolutions erupting around the world, which can force the launching of a new wave of autocracies, as has happened throughout so much of our history. As in the past, dictatorships bring no solutions and will only contribute towards perpetuating a new ruling class that employs more hideous and repressive methods.

It is therefore of the utmost urgency to create a new economic system that is better adapted to mankind's characteristics. This new system needs to be rational enough to avoid unnecessary turmoil by preserving the positive aspects of the existing capitalist system and be courageous enough to attempt to change its destructive aspects.

The Ergonocracy Economic Model considers that the existing capitalist system has the following positive features: natural market mechanisms, efficient entrepreneurial best business practices and the powerful instigating force of motivation instigated by profit. These are the features that should prevail. On the other hand, since the existing capitalist system has many negative characteristics, both ethical and practical, the Ergonocracy Economic Model defends the notion that the rules governing company share structure, should be changed and the employer vs. employee dichotomy should be done away with. This will prevent the exploitation of man by man and inject a strong shot of adrenaline into our dying system.

Implications of the Ergonocracy Economic Model

The economic model of Ergonocracy has implications for microeconomics and macroeconomics.

In terms of microeconomics, this model has the main purpose of proposing a naturally balanced system that will do away with the exploitation of man by man. The paradigm is configured so that employers and employees no longer coexist, only members with equal status. At the same time, however, in an attempt to reconcile the best of both worlds, the freedom of private initiative and the advantages of market economies are preserved.

The secret of the success of this model lies in the way the process will be conducted as well as in its empirical nature. Several alternatives for the conversion of existing companies will be suggested along with a set of rules to be implemented.

As a result of these regulations, no one will be allowed to work directly for another entity. Thus, any person performing labour or business functions will have to be a partial owner of a company. Only companies will be allowed to perform services, produce goods and issue invoices.

In addition, nobody will be able to hold less than a five per cent company share, as there will be a pre-set theoretical maximum of twenty members per company. Although this idea may seem strange and impossible to implement, it will be proved otherwise. This chapter explains in detail how this model can be implemented, including several methods destined to ensure a smooth and appropriate transition.

In terms of macroeconomics, we will advance several concepts, such as the existence of money only in digital form and the gradual replacement of existing stock exchange

markets, which will be replaced by a company managed nominal Titles Model (a new form of participation in company capital), a new concept of interest rates and new tax models.

With amendments suggested at both levels - micro- and macroeconomic - we believe that it will be possible to minimise the adverse effects caused by the capitalist system, such as glaring economic inequality, one-sided human exploitation, speculative cycles, structural imbalance and the concentration of capital in massive corporations, etc.

Of course, the Ergonocracy Economic Model assumes that all companies will be profit-oriented, including previously referred to Concessionary and Sub-Concessionary Companies. Remuneration from profits and premiums (bonuses) will be the only income allowed for citizens, as salaries, passive interest rate income, speculative earnings and rent⁵⁰ will all cease to exist.

5.2 Underlying principles

The principle of non-exploitation of man by man

Economic exploitation of man by man is considered one of the most important factors in the destabilisation of society. It also causes jealousy and anger and helps create social class differences, which can lead to the outbreak of antagonism and to a sudden breakdown of the economic and social structure.

The problem is that people have to work to survive. It is easy to observe that most workers have little involvement in the objectives of their organisations. Workers typically live bitter, conformed and postponed lives, spending their work

⁵⁰ *Rent will continue to exist, but will only be charged by companies.*

time watching the clock and looking forward to free time, weekends and holidays. This happens because, generally speaking, workers do not feel that the organisations for which they work, belong to them in any way. Consequently they put forth the least possible effort, giving a minimal level of performance to avoid problems and to hold onto their jobs and benefits.

In microeconomic terms, this reasoning makes the most sense, given the fact that most salaries are fixed, i.e. they are not proportional to the actual effort expended nor to the results achieved. Even when there are variable premiums (bonuses), in most cases there is little fairness or efficiency in the selection process. This leads us to the conclusion that labour systems should be organised in such a way that all players can feel that the organisation belongs to them. Firstly, we should define the concept of exploitation, which can be interpreted in several ways:

One possible definition is that exploitation occurs when the amount that someone receives for his or her work is significantly less than the value that the results of his work⁵¹ has created. This would be one hundred per cent correct if labour (the ability to work) were the only factor⁵² behind production. There are usually other factors, however, such as land (natural resources, gifts from nature), capital goods (man-made tools and equipment) entrepreneurship and technology. This being the case, a wider notion of capital must be utilised,

⁵¹ *This analysis is empirical and results from the comparison between the end value of goods and services weighted by each worker's effort share, needs to be compared to the value that the worker receives (his salary) within a certain period.*

⁵² *In economics, factors of production (or productive inputs) are the resources employed to produce goods and services. They facilitate production, but do not become part of the product (as with raw materials) or become significantly transformed by the production process (as with fuel used to power machinery).*

including the high risk of entrepreneurship that is associated with investment. Therefore, this begs the question of the definition of fair proportion, i.e., what proportion is due to the labour factor. However, although this factor is essential, labour tends to be overvalued, especially because most human beings are part of this production factor and because this issue is a very important element in most people's lives. Thus, issues involving labour are always associated with certain notions of injustice and abuse, especially when someone gains directly from the effort of others, which leads to the creation of conditions where people start to begin to question the legitimacy of the authority of some people over others.

Another way to understand the concept of exploitation is to see the issue from another angle, i.e., in terms of social objectivity. Imagine the example of a company where workers do not receive enough income to afford a decent, healthy life. Nevertheless, this definition is short-sighted because the business activity itself may not be very rewarding and not allow the necessary income to be generated.

It is also possible that people may feel exploited in a broader sense, not by another individual, but by the whole of society; this could happen in cases where people are unable to find work and are forced to beg in the streets.

Probably the most consensual definition of exploitation maintains that this phenomenon occurs when an employee does not share in a significant portion of the results of his or her work. Proponents of Ergonocracy believe that the key issue is precisely the process of sharing. They argue that all players in the production process must receive an income according to the share that they hold in the production unit. Besides, everyone who is able to participate should enter the production system management process.

It can therefore be said that exploitation will end, as everyone should have an income proportional to his or her share, although some members will hold larger shares than others. Consequently the division of power and income will not necessarily be equal. However, everyone will have an incentive and an opportunity to play a crucial role within his or her organisation in order to gain increased shares and income.

With the application of this model, we also seek to abolish most hierarchical levels, in particular the status of employer and employee. According to this model, all members should have equal rights within the company, although obviously some of them will hold larger share percentages than others according to established minimum and maximum limits set to maintain a certain harmony and balance of power.

Principle of motivation

One of the consequences of the aforementioned principle of non-exploitation of man by man and the application of a system in which all operational members are shareholders, is that an individual could naturally struggle much more if the person worked for his or her own company than if he or she worked for another entity. In fact, any entrepreneur or business man can testify to the fact that working for oneself is less tedious and more exciting.

At this point the importance of meritocracy, a widely praised but little used concept, should be recognised. In practice, the implementation of a just and efficient meritocracy system is extremely difficult, as most work functions cannot be measured quantitatively. Even in rare cases where work results are measurable, such as sales, people will not necessarily be evaluated correctly. Certain salesman may have received an

unfavourable zone of activity or a client group with reduced buying power.

In addition, the criteria used to evaluate workers are often subjective, as they are subject to evaluation by other individuals whose interests are not always based on honesty and fairness.

Regarding vertical assessment evaluation criteria, and in this case we are referring to evaluations conducted by managers, it may be noted that these assessments can be distorted by the subjectivity of the evaluator. As well-intentioned as this person is, he or she may be swayed by empathy or favours owed.

The great advantage of the Ergonocracy system - where all employees are members of their companies - is that everyone has a vested interest in the organisation and genuinely strives for its success. In this way, people are pulling together, which is what is supposed to happen in a genuine meritocracy system. This happens not only because each member's monthly income is directly indexed to profits and indirectly to company production, but also because all members have an interest in rewarding and attracting co-workers who truly stand out.

In the traditional capitalist system there is a set of entry barriers for new competitors in most business areas. Among these barriers we can include: lack of information, large scale financial investments and psychological barriers including cultural fears.

In addition, there are certain activities which, by the very nature of their markets, require high investment projects as well as enormous scale effects. It should also be noted that it is in the interests of existing companies to prevent new competitors from entering the market. One of the ways of doing this is to reward individuals considered most critical to

the organisation. Although this is a form of meritocracy, it has a pejorative effect, as it contributes to keeping the best placed employees, who could accomplish more and rise higher in the organisation, in the same place.

The Ergonocracy Economic Model argues that what is important is that all citizens change their mind set and that everyone should have access to means and opportunities to participate in the “business game”, in such a way that nobody is directly or indirectly left out.

Ambition and greed are inherent qualities in human nature, for good and bad. Unless these traits become excessive, they can play an important role by providing positive motivation, helping individuals overcome obstacles and the fear of facing new challenges in our ongoing search for a better life.

With the implementation of this model, money will still be unevenly distributed, albeit more blurry, but this is not necessarily negative as long as everyone has the opportunity to compete and earn money.

It should be stressed that money is not necessarily evil, as it merely takes on the value that society as a whole has decided to give it, that of facilitating economic exchanges. It should not be considered unethical for someone to earn a lot of money provided that the person who paid for the service benefited from the exchange. In other words, in this case an equilibrium will have been achieved between a positive (the service) and a negative (the payment). What is unquestionably reprehensible are all evil practices, carried out just for fun or for any other reason, for which there is no tangible gain achieved by the infringer. In other words, what is objectionable is the occurrence of an evil act against someone or something where no gain has been obtained other than sadistic pleasure.

Principle of the abolition of virtual slaves

In traditional capitalist systems, most people spend their time simply surviving, with only sporadic leisure periods to look forward to. Resigned to having to work for a living in order to survive, they live unhappy, unfulfilled lives. In short, most of these people feel and live like slaves. This makes them virtual slaves, as someone who feels like a slave is just as much a slave as real slaves of the past.

The principle that is to be described is somewhat controversial because it defends the notion that no human being should be a virtual slave.

The Ergonocracy Economic Model helps to solve this problem because every worker will have the opportunity to become a member of his or her company, giving the person other opportunities and perspectives which he or she will never have as a mere employee.

Even so, most people will still have to work for a living. There are no easy solutions to this problem, which Ergonocracy will not try to solve, simply because there are other, much more serious problems to deal with.

One day, if this human project reaches a highly developed stage, it may be possible to abolish all virtual slaves by giving each individual the choice to work or not. This idea will be approached in the “utopian” Ergonotopia stage in a later chapter. In this utopian society certain specific rules will have to be established in order to prevent society as a whole from falling apart and descending into a spiral of sloth.

Principle of reducing the size of enterprises

This principle aims to reduce the adverse and pernicious

effects of the capitalist system, namely the behaviour of international corporations. In order to reduce the power of these mega-structures, the Ergonocracy Economic Model states that mechanisms should be inserted to limit the size of companies and corporations, in particular.

It is also in this context that the Ergonocracy Economic Model presents the rule that limits the maximum number of company members to twenty. It is clear that a company can expand and spread out by holding other companies. However, the negative effects are minimised by the specific mechanics of this system, where nobody is left out and everybody is entitled to participate in decision-making processes.

“User-payer”⁵³ Principle

Ergonocracy defends the notion that, when possible, the user-payer principle should always be applied. It is not merely a question of fairness, but a practical measure as well. When something is paid for and it works successfully, it is considered a worthwhile investment. We can observe that when something is free, people may use it merely out of habit or just because it is free. Therefore, statistics about the use of these services can be deceiving⁵⁴. This principle also serves to moderate usage

⁵³ *User-payer is a pricing approach based on the idea that the most efficient allocation of resources occurs when consumers pay the full cost of the goods that they consume. In public finance it stands with another principle of "ability to pay," which states that those who have the means should share more of the burden of public services. The ability to pay principle is one of the reasons for the general acceptance of the progressive income tax system.*

⁵⁴ *This principle has something in common with another economic principle, which says that bad currency replaces good currency. Indeed, if we have two currencies circulating, for example, gold, and another less valuable currency, what happens is that people will tend to save the gold and pay their debts using the less valuable currency, which implies that this latter currency will prevail.*

and to prevent abuse.

5.3 Microeconomic rules and guidelines

The Microeconomic Ergonocracy Economic Model features the introduction of specific, new rules that are divided into three distinct pillars:

- Rules concerning shares and statutes.
- Rules concerning types of partners.
- Rules concerning member compensation.

Rules concerning shares and statutes

According to Ergonocracy, a regulation governing shares and statutes should be implemented under the following set of rules:

- Rule number one - All companies, regardless of their size, should be converted into only one type: Company Limited by Shares⁵⁵
- Rule number two - In order to perform a function in a company, every citizen, provided that he or she is mentally and physically able, must hold a stake (share)

⁵⁵ *A company limited by shares is usually called a private limited company (Ltd). This is the most common form of company used for business ventures. Specifically, a limited company is a "company in which the liability of each shareholder is limited to the amount individually invested" with corporations being "the most common example of a limited company." Its shares may not be offered to the general public, unlike those of a public limited company (plc). The liability of the shareholders to creditors of the company is limited to the capital originally invested, i.e. the nominal value of the shares and any premium paid in return for the issue of the shares by the company. A shareholder's personal assets are thereby protected in the event of the company's insolvency, but money invested in the company will be lost.*

in the capital of this company i.e. he or she must become a share-holding member of the company; therefore, no company will be allowed to hire employees, since every working person must participate in the capital of the company where he or she works.

- Rule number three - Only companies may provide services, produce goods or issue invoices, i.e. no citizen may carry out such activities directly in his or her own name.
- Rule number four - No company member will be allowed to hold less than a five per cent share of his or her company, the minimum share allowed. The logical implication here is that companies will be limited to a maximum of twenty members.
- Rule number five - This rule will stipulate that all existing companies that employ more than twenty individuals, should be divided into smaller companies using geographical or functional criteria; the head company should hold shares in these smaller companies and have the right to appoint a partner (member) to represent his or her interests.

Rule number four stipulates a maximum number of twenty members in each company, the cornerstone on which Ergonocracy Microeconomic Model is supported.

In practice, this limit of a twenty member maximum may appear to be a serious constraint. However, it can be transformed into an economic opportunity, as will be described later. In fact, every company should work as a well-organised team and operate within a flexible, responsive structure. Being small in size helps to achieve this goal. It is easy to see why organisations with too many members are characterised by a

sense of loss of identity.

Indeed, the ideal size considered for most companies varies between four and thirteen members, depending on the sector of activity and the specific characteristics of the company. This size blueprint was not obtained by chance; on the contrary, it has been achieved from observing the structural characteristics of human social psychology, taking into account the way our species lived during the vast majority of our evolutionary history. In past epochs, tribes could send teams composed of a small core of operational members to carry out missions of hunting, patrol or defence.

This size model also takes into account the way most teams work, for instances, military teams⁵⁶, sports teams, business teams, etc.

In any case, for each sector of activity and for each company in particular, there is an ideal number of employees/members that maximises the efficiency of the organisation. This is an empirical path that each start-up company will have to walk.

As stated in rule number five, all existing companies whose workers numbered more than twenty will need to put into place a business plan designed to divide the head company into the necessary number of smaller companies. This division should need to be conducted using geographical or functional criteria and a tightly-knit economic group will need to be created in which each smaller company could have special obligations to

⁵⁶ *It is not by chance that in the body of the United States Marines, the fighting squads of snipers usually consist of three sniper stations, 13 military units, plus the platoon commander, the platoon Sergeant, three rescuers and a platoon guide, each police station is divided into three shooting teams. It is also no coincidence that most sports teams consist of a total that varies between 5 and 11 members, with the exception of rugby teams (15 individuals).*

its group, but should also have the opportunity to take on new initiatives in other areas.

As referred to in rule number five, the head company should hold shares in these smaller companies and have the right to appoint a partner (member) to represent its interests. As the majority shareholder, the head company should also decide annually whether or not to keep or change its representative. It makes sense that this representative should be an active partner in the head company to which he or she should return at the end of his or her representation mandate.

Among other difficulties, it is obvious that companies with too many members are in a poor position to provide financial incentives to their members. As the income generated has to be split among many people, each member's part is too insignificant to constitute a work incentive.

As an illustrative example, imagine a large restaurant, with over one hundred employees, where all tips are placed in a vault for later to be divided among all workers. What is to be observed, is that for each of the waiters the encouragement and incentive to do their best, is hampered by the fact that for every dollar received as tip, only a penny will end up in their respective pockets.

On the other hand, the other extreme is also detrimental to companies. Organisations with few members may not earn sufficient critical mass nor achieve the necessary degree of expertise and know-how required to thrive in the market. It is therefore desirable that each organisation should try to become large enough to improve its capacity to compete and to benefit from scale economies so that it can develop its skills, gain control over more regions, improve its response times and allow specialisation in core activities. Partnerships with other

key companies is therefore a crucial aspect.

The table below refers to rule number six, which sets the Minimum and maximum share percentage limits to be held by each partner as explained below in the following table:

Number of Partners	Minimum percentage per partner	Maximum percentage per partner
2	33.3%	66.6%
3	25.0%	50.0%
4	20.0%	40.0%
5	15.0%	40.0%
6	10.0%	40.0%
7	9.0%	40.0%
8	8.0%	35.0%
9	7.0%	35.0%
10	6.0%	35.0%
11 to 14	5.0%	35.0%
15	5.0%	30.0%
16	5.0%	25.0%
17	5.0%	20.0%

18	5.0%	15.0%
19	5.0%	10.0%
20	5.0%	5.0%

The aim of this regulation is to create a balance of power among members so that nobody stands out as too powerful. Simultaneously, the system should have to reflect the eventuality that a member could rise in the organisation, especially if he or she had proven to be more promising and dedicated.

Rules concerning the types of partners

Next, let's discuss rule number seven, which defines three types of company members, namely: exclusive, consulting and investors:

- Exclusive members are characterized by being active partners exclusively allocated to the company where they could perform full schedule activities.
- Consulting members are also active partners, but could work part-time, as they will be allowed to hold executive roles in two or more companies. Accordingly, a set of strict objectives must be defined for each of these members, including the conditions under which his or her obligations should be performed, such as work schedules, objectives and rewards.
- Investor members are not active partners; their participation in companies is motivated by the need to invest their money. Their role is sporadic and is essentially limited to intervening in strategic decisions,

such as changing the activity of the company, or decisions that involved the company's taking on significant debt. Investor members could play a passive role and should not be able to participate in daily decision-making processes.

The active shareholder managers' core should be composed of exclusive and consulting partners. They will perform specific functions within the company.

With this model, the self-employed one-man company concept will also be abolished, as in the professions of lawyers, architects, etc. In some cases and to a greater or lesser degree, these kinds of professionals are subject to the constraints imposed by their customers. They are the weakest link in these relationships, especially when they depend on only one client.

Thus, rule number eight should reinforce rule number six, stipulating that each company will need to have at least two members and that both of them will have to play active roles (as exclusive or consulting members). The purpose of this rule is to encourage a culture of mutual assistance and to help create an environment of entrepreneurship, which is generally accepted as healthy for business.

Another advantage is that with two or more business partners, there will be a tendency to increase the number of clients and thus reduce dependency on a few clients. This will help place companies on a more equal footing in business negotiation processes.

Besides, in case one of the partners is ill or absent for any reason the other partner will be able to substitute him providing a better service to the final client.

This rule applies to all kinds of professionals, even those

who have typically been regarded as solo, as in the case of singers, actors, writers, scientists, etc. These individuals should tend to choose as partners other people who they think may add value to their activity, as these partners will necessarily share the same business vision. A new partner could be a colleague in the same artistic field, an agent, editor, assistant, etc.

Of course, it is clear that the distribution of shares between these two or more partners should reflect their individual importance to the whole organisation. Thus, it is conceivable that one of the partners could have ninety per cent of the shares and the other only ten per cent. This is an exception⁵⁷ to rule number six and will only apply to specific groups of professionals in the world of sports, the arts and science.

An exclusive partner in a given company is allowed to become an investor partner in another company, provided that the two companies operate in distinct activity sectors, i.e. provided that they are not direct competitors.

However, an exclusive partner should not be allowed to play active roles in both companies; only one of them.

As previously explained, each company member can act as a partner in his or her own name or operate as a delegate of the head company that holds shares in his or her company. In this case, the same privileges and obligations that hold true for any other shareholder will apply.

Rules concerning member compensation according to merit

Redistribution Profits and premiums (bonuses) should be the

⁵⁷ According to rule number six, in a company with only two members, neither of them could hold less than 33.3%. This is an exception that takes into account the high-value role of certain special, highly-skilled professionals.

only remuneration allowed for citizens, as salaries, passive interest rate income, speculative earnings and rents⁵⁸ should all cease to exist. Thus, member compensation should consist of two types of income:

- **Redistribution Profits** - this will apply equally to all types of partners (Exclusive, Consulting and Investors); each shareholder will be assigned a redistribution profit value according to the percentage of shares held. As a general rule, it should be stipulated that each member-partner will receive a monthly value corresponding to estimated profit for that month.
- **Premiums (bonuses)** - These premiums will constitute additional variable income, as an added incentive, as well as recognition of merit for top performers. These values are not indexed to each partner's share.

Each partner's total monthly wages will correspond to the sum of these two components: Redistribution Profits and Premiums (bonuses). These two parts could vary according to a specific formula, as follows:

- **Step A** - At the end of every month, the member responsible for financial matters should analyse the accounts and make a projection of the estimated annual company profit; these calculations should be supported by available up to date accounting figures.
- **Step B** - It should be up to each company to decide by a simple majority vote what percentage of the company profit will be redistributed each year. The remaining

⁵⁸ *Rent will continue to exist, but should only be charged by companies; All real estate will have to be owned by a company which activity should be to rent apartments and perform these types of services.*

non-distributed profit will constitute the company's reserves. Therefore, at this stage, the total annual amount to be redistributed is obtained by multiplying this percentage by the total profit value.

- Step C - In relation to the amount obtained in Step B:
 - 50% of that value should be automatically allocated to Redistribution Profit; then, the financial controller should calculate that month's profits⁵⁹; each shareholder monthly profit amount should be equal to the estimate of earnings for that monthly period and proportional to his or her percentage share.
 - 50% of that Step B value should be automatically allocated to premiums (bonuses). Thus, after an evaluation process each quarter, the total premium amount should be divided among the best active partners (Investor partners will not be included in this process) according to a performance evaluation.

In terms of performance evaluation, regarding premiums (bonuses) purposes, there are two different types of methods and each company will have to choose the one that fit best:

- In accordance with achieved objectives - pre-defined quarterly premiums should be paid to partners who manage to reach pre-established quantitative or qualitative objectives. These objectives should need to be measurable in accordance with objective criteria; of course, there are activities for which these calculations

⁵⁹*This formula should not merely divide the annual amount by twelve, as it should take into account possible seasonal effects.*

can hardly be put into practice.

- According to recognised merit - quarterly premiums should be paid to partners considered to be the best performers by their co-workers, i.e., other partners. Thus, all partners, regardless of the percentage of shares held, should meet and vote by secret ballot to choose the five best partner performances during that period, allotting one point to third place, two points to second place and three points to first place. Members will not be allowed to vote for themselves. The five winning partners will receive a portion of the total premium amount, which could be distributed as follows:
 - First Place - 30%
 - Second Place - 25%
 - Third Place - 20%
 - Fourth Place - 15%
 - Fifth Place - 10%

The above explained method is applicable in cases of companies between seven and twenty workers. For companies between four and seven workers another set of rules will have to be applied allowing premiums to be delivered only for the three better classified members. This method will hardly be effective in case of companies with less than four members.

Whenever possible, quantifiable objectives should be set for both methods, stating the expected performance of each partner during the period in question. All partners should participate in this process, as all goals will radiate from the group to individual members through a process of negotiation and mutual agreement. This should occur in such a way that the

difficulty levels should be similarly ranked taking in account that it will be important to obtain as unanimous decision. Otherwise, this agreement will have to be obtained by majority vote. The purpose of these types of rules is to improve each member's performance in an environment of collaboration and respect for each other's differences.

Profit redistribution will assume the remuneration role of all production means, including work, capital risk and capital cost of opportunity. It is very important to stress that with this model there are no direct labour costs, and therefore, redistribution profits tend to be higher than average traditional wages and for this reason let us examine the annual company profits which should be generally calculated in the following way:

- Profits = [Revenues - Variable Costs - Fixed Costs
(including salaries) - Amortisations - Provisions – Taxes
- risk - weighted cost of capital]

This is the reason why we say that compared to a non-Ergonocracy company, this profit amount should be higher than average traditional wages, as salaries have been taken out of the equation.

And so, each partner's revenue will vary according to the estimate of earnings for that monthly period and proportional to his or her percentage share. And it should also be proportional to his performance and merit.

As previously mentioned, investor partners are naturally outside the premium (bonuses) context, as they hold neither direct management nor operational responsibilities. They will only receive their redistribution profits according to shares held.

For the same order of ideas, considering the fact that consulting partners spend much less time in the company, on average, evaluation of the performance of consulting partners should tend to be stricter than for exclusive partners; however, each case is different and, in the end, it is all a matter of recognising merit. In fact, if the partners should decide to award a consulting partner instead of an exclusive partner that will be up to their judgment. Regarding premiums, it is important to emphasise that it makes sense for people to be evaluated and judged by their colleagues and partners, i.e. by people who have the opportunity to watch their day-to-day work. Co-workers depend on each other's performance and have an interest in keeping the best people happy so that top professionals are motivated to stay in the organisation.

Minimum guaranteed income

Each company should set a minimum remuneration amount - a minimum monthly income - equivalent to the country's minimum wage, so that members who hold fewer shares, between five and ten per cent, should be able to maintain a decent standard of living. These amounts will be indirectly financed through the company and by members who held a greater percentage of shares. Whenever a need arose to apply this rule, an automatic process will be initiated, which will grant two simultaneous types of loans:

- Loan/s granted by the company to partner/s holding few shares, in an amount equal to the difference between the minimum monthly income and the monthly share value that the shareholder was supposed to receive.
- Loan/s to the company granted by major shareholders equal to the total loan amount referred to above; these

amounts, in principle, should be deducted from the monthly share amount that each major shareholder is supposed to receive; these partners should never receive a net monthly amount lower than the minimum monthly wage. This system can only be applied in companies where there is a large difference in share percentages held on the part of large shareholders as compared to those who hold fewer shares. An option could be exercised to define a coefficient that should apply this rule only if the largest share were at least three times greater than the smallest share.

This situation could not occur for periods longer than two years; at the end of this time, the company will be obligated to redefine its strategy, eliminating costs, and eventually changing its capital share composition.

When the company managed to recover and finally achieve desirable profits, the loan amounts should be returned to the partners that provided the money.

Career Opportunities

Indeed, whenever a certain partner demonstrated above-average capabilities or extraordinary results, his or her position in the company should be strengthened, leading every partner to conclude that the presence of this person was crucial.

In analysing partners' capabilities, many issues should be taken into account, including professional experience, academic activity, professional achievements, and above all, the knowledge and added value that each member may bring to the organisation. In short, the final evaluation will depend on the results that each member achieved.

Besides the aforementioned profits and premiums, more productive members could be additionally rewarded as follows:

- Increasing the partner's share percentage - In fact, being considered a top performing partner will place a person in a very strong position in the negotiations for annual share redistribution; thus he or she could try to negotiate an increase in the number of shares without having to invest his or her own capital, as the remaining shares should be adjusted in order to make this increase possible. This benefit should be a powerful incentive for all other members and ensure the securing of a valuable human resource. Of course, none of the partners could end up holding less than a five per cent share. Shareholders should be willing to make this sacrifice because they should know that if they did not do so, a top performer may not feel duly rewarded and therefore may consider accepting other offers, which could mean the potential loss of the talented partner. These outside invitations will vary according to the partner's expertise as recognised by the market.
- Improving the partner's statute - Another way to reward an executive partner will be to give him the option of becoming a consulting partner. By accepting a change in the partner's statute, the partners are releasing the person and giving him or her the freedom to accept other partial activities. For example, he or she could become a consulting partner in another company. This will allow the person to double his or her income. In practice, company partners will tend to be very careful about offering this type of statute change, because they could be losing the exclusive dedication of a highly-skilled member. However, they should be willing to

offer this change if the shareholder in question were actually one of the company's cornerstones because they will know that it may be very difficult to effectively replace him or her. In certain cases, the promoted partner may accept a capital share downgrade; it would all be a matter of negotiation.

In other cases, typically in more advanced stages of their careers, some consulting partners may harbour the ambition of becoming investor partners. This process could usually involve compensation paid by the shareholder so the company may accept this deal. For the shareholder, this is a very interesting situation because it could allow the person to collect his or her share of the monthly profits without having to undertake any responsibility or work in the organisation, as he or she should only have to be present in certain strategic decision-making meetings.

In other words, wealth and savings accumulated over the years could allow these senior partners to obtain a new statute, which should not seriously impact their usual standard of living, as long as they manage to create multiple sources of investment income. The basic principle is this: as age, experience and know-how increases, the senior partner should be inclined to negotiate solutions in which he or she should be willing to trade capital share in exchange for fewer responsibilities in the company, that is, focusing in strategic and advisory types of activities; in other words, this model can adjust to people's life cycles and create a business culture that emphasises the knowledge and experience of shareholding partners, while accepting that they should be granted more free time, as could happen in a tribal social structure.

According to this model, some partners could be expected to take every opportunity to emphasise their achievements with

the purpose of reinforcing their reputations in order to receive personal benefits. This could create a working climate characterised by a certain degree of competition, which is not necessarily harmful, since it could function as additional motivation, provided that the spirit of mutual assistance among members do not break down. Another advantage of this model is that there could be a strong, ongoing incentive for individuals to strive in pursuit of the best possible training and learning programmes.

In terms of career opportunities it is important to take into account the role of venture capital companies, which will be detailed in a further chapter.

New members experience period

For the company, the risk of admitting a new member is reduced, as there should be a trial period of six months, after which, if the member or the company so requested, the agreement could be cancelled, with the corresponding share refunded to the company.

Whenever a company hire a member under this condition, it has to report the situation to the entity that manages professional relations, a sub-function of the Public Function “(6) Economy support”.

Companies will not be able to use this exception to exploit cheap labour. This area could be under strict supervision and high fines could be issued in proven cases of exploitation. Other penalties could also be applied, including the obligation of reaccepting the member and having to pay him or her full compensation for the period in question.

Member expulsion

No partner will be able to take advantage of or abuse the benevolence of the rules. In fact, whenever a partner fails to comply with his or her obligations through negligence, absence or incompetence, the other partners could call a meeting to discuss the issue and determine the causes of the problem as well as ways to solve it. Among these means, several possibilities could be considered:

- Defining a temporary monitor, among the partners, to help the under-achieving partner with his or her difficulties.
- Redefining the framework of the assignment, to give easier tasks to this poor performer.
- Registering the under-achiever in specific learning programmes.

They should also set a subsequent meeting to evaluate the under-achiever's progress. If his or her performance improves, the issue could be considered closed. However, if the situation persists, they will be obliged to give the person one last chance by defining a new evaluation time frame and setting new targets. If the person persisted with the undesirable behaviour, members will have to report the situation to the entity that manages professional relations, a sub-function of the Public Function "6) Economy support". Afterwards they should schedule a new meeting that could also be attended by a member of the aforementioned entity, to formally expel the under-achiever.

The expelled partner will have one month to appeal this decision in the appropriate court. If the person chose not to appeal, he or she will be entitled to receive payment equal to

the current value of his or her shares. Share value should need to be calculated according to the company market value and as determined by pre-established rules. However, this money could be retained by the aforementioned entity until the expelled partner found a share of similar value for sale at another company that fit his or her qualifications. If all go according to plan, the entity should then pay the cost of the share and the citizen will become a partner in the other company.

Exceptions

This Ergonocracy model is designed to minimise hierarchic relationships by placing all partners at the same level and providing an environment in which each partner votes on decisions in accordance with his or her share percentage. However, there are exceptions that apply to activities where the type of function performed requires a rigid command structure, as happens in military activities. In these cases, the entire chain of command can be maintained and two moments should be understood:

- The member-performer moment - This occurs whenever members are in the midst of performing their activities, meaning the chain of command is important.
- The member-company moment - This occurs when teams have time to rest or when they are between missions; it also happens when members are deciding on strategic company issues; at this time, each member votes according to each share, thus, the chain of command will not take effect.

Examples of other exceptions include larger companies - corporations - especially during the transition period to the

Ergonocracy Model.

Share apportionment - practical examples

In this model it is obvious that investor partners have a huge advantage over other members. Regarding profit redistribution, they have the same rights as executive members, i.e. they receive their monthly portion of the profits. This may seem unfair because investor partners do not play an active role, nor are they obligated to dedicate time to the company.

In fact, executive members typically accept investor members simply because their company needs capital, this probably being the easiest and quickest way to obtain capital for a project without going into debt and extra risks.

It is for these reasons that, when a company is created, or in cases of renegotiation of shares, all executive members need to be reminded that they should attempt to negotiate a favourable apportionment.

In order to understand this concept, let us examine the following example of a company and the initial share expectations of each of the four founding partners:

- Investor partner A intends to receive a 40% capital share, but the partner knows that, given his or position, he or she will have to give up something during negotiations.
- Exclusive partner B intends to receive at least a 20% capital share.
- Exclusive Partner C intends to receive at least a 20% capital share.
- Exclusive Partner D intends to receive at least a 20%

capital share.

There are many possibilities, depending on the way the negotiations go, but the following example illustrates a possible compromise between the capital value and the share held, according to each partner's the statute:

- Investor Partner A enters with 40% of the capital entry value and receives a 25% share.
- Exclusive Partner B enters with 20% of the capital entry value and receives a 25% share.
- Exclusive Partner C comes in with 20% of the capital entry value and receives a 25% share.
- Exclusive Partner D comes in with 20% of the capital entry value and receives a 25% share.

In this case, exclusive members B, C and D negotiated a so-called premium based on the fact that they have to work at the company premises, an obligation from which investor partner A is exempted. It is obvious to say that members B, C and D may never accept the disadvantageous situation of equality between capital entry value and capital share percentage, unless, of course, they have exhausted all other financing possibilities and this was their only possible chance.

Another example of a situation of compromise could be a scenario in which each partner should maintain his or her initial intended share, with capital entry value used as the variable to achieve the compromise:

- Investor partner A enters with 70% of the capital entry value and receives a 40% share.
- Exclusive Partner B enters with 10% of the capital entry value and receives a 20% share.

- Exclusive Partner C enters with 10% of the capital entry value and receives a 20% share.
- Exclusive Partner D enters with 10% of the capital entry value and receives a 20% share.

This could be an ideal solution if members B, C and D lacked liquidity to fulfil the investment.

These are just two examples of many possible balanced solutions.

We can also imagine an investor partner supplying all of the capital entry amount, which will allow a few top performers to become exclusive members, without their having to spend anything. It is all a matter of negotiating power and opportunity. Similarly, consulting members will also benefited in relation to exclusive members, since they are free to embrace other opportunities and gain additional income. However, this is a matter that has to do with recognition of merit, as explained in a previous chapter.

Implications of the model on the growth of businesses

As previously mentioned, the rule that aims to prevent a person from working directly for another entity or another person implies that each person can logically only perform functions inside his or her own company⁶⁰. Thus, in the case of a company that has a need to increase its level of activity as a result of business growth or procedural complexity, there are only three alternatives:

- Using a service company to perform this service, that is provisional in nature, typically in outsourcing

⁶⁰Or in their own companies, if the holder has more than one share.

arrangements.

- Creating a new company partly self-owned with the right to nominate one delegate partner, or:
- Initiating a process to hire one or more new members, provided that all existing members should relinquish a portion of their shares⁶¹. Logically, members who only have a five per cent share can never have this value reduced, so the onus should lie with the major shareholders. This could include the possibility of negotiating compensation, with this question being decided in accordance with the company's statutes. In practice, each company could define its own model.

It should be clear that, if the company chooses the first possibility - outsourcing - this will not involve exploitation of labour. The worker could necessarily be a partner-manager in another company, one that had been hired specifically to provide an outsourcing service in accordance with the core business activities of outsourcing companies, that of allocating temporary managers to perform certain activities for their clients. The disadvantage of outsourcing is that typically it is more expensive than internal solutions.

Logically, with this model, if a large scale company chose the second possibility, it will have to grow by creating and holding shares in other companies, delegating functions and activities, and appointing its own representative in each of these companies.

⁶¹*In this case, the following rule applies: understanding X as the negotiated share percentage to be assigned to the new member, each existing member's share will be uniformly reduced by a percentage share value as a result of the following formula: $x/(\text{total number of existing partners})$.*

All these Ergonocracy measures are also designed to reduce the power of large corporations and allow ordinary citizens to have access to the world of business management. This issue will be examined in detail in a later chapter.

Organisation and the decision-making process

Each company is entirely free to carry out the organisational scheme that best meets its requirements, provided this is previously discussed and voted on by all its partners and as long as all of the previously described basic rules are followed. However, it is recommended that each partner assignment be determined taking into account functional or sectoral division criteria, whenever possible. All rules that partners agree on must be defined when the company is created. These rules constitute its statutes (Company Contract) and should be made available on the company's intranet.

Whenever a new shareholder entered or left the company, or whenever the company's shares were redistributed, all members will have the opportunity to require a company contract review to propose new amendments, each of which should call for a qualified majority.

The company should establish the mechanism through which it formally agrees to fulfil its obligations. This information should be made available to the public, for example, on the company's website.

Any pre-arranged rule can be set. For example, it can be established that any two "signatures" are enough to commit the company. Another possibility is to specify the names of the members who will have the decision-making power, including the possibility of designating specific areas or functions to each partner.

It is also possible to implement a rule stating that all partners should vote in such a way that a decision will be reached whenever fifty-one percent of the company share quorum was achieved. This could be the general rule and all decisions could be made at a scheduled meeting or via online, for example through the company intranet, through videoconference service or through a web service that would be created for this purpose. There would be three types of decisions:

- Strategic decisions - decisions that must be made by a qualified majority requiring that investor partners are also summoned.
- Tactical decisions - decisions subject to the vote of all executive members, excluding investor partners - let us not forget that tactics include all actions that are planned with the purpose of achieving the strategic objective. Typically, these tactical proposals are investment decisions and the partner responsible for the specific sector or department in question should be assigned to propose projects; these decisions should be made by a simple majority. If, however, they involve significant funds, investor members should also be involved.
- Daily and functional decisions - each member should have a specific role within the company and will be authorised to make everyday decisions related to his or her functions, as long as the cost value of those decisions is below a previously agreed value limit, or as long as these decisions do not compromise or jeopardise the rules set out in previously defined budgets.

It is recommended that all companies schedule periodic

meetings so that members can report on the status of their projects and ask for support or advice in case of difficulties.

Every meeting should be recorded for future reference. One of the purposes of these meetings is to encourage all partners to check each other's work, to correct deviations and perform ongoing analysis of whether or not the tactics and defined actions are accomplishing the strategic objectives.

Companies should be obliged to implement a type of corporate governance application, an ERP⁶² including an intranet module. For companies whose partners choose not to buy this kind of asset, the Global Community⁶³ should provide access to a generic ERP application with limited features, via ASP⁶⁴, which should be supplied free of charge.

This application will allow for a summary of the various administrative rules, present all accounting and commercial figures and set out management procedures. In fact, each member will be able to submit to his peers all decisions requiring further approval, according to predefined rules for each type of subject, and all members should vote according to

⁶²*Enterprise Resource Planning (ERP) are information systems or software platforms that integrate all data and processes of an organisation in a single system, enabling the automation and storage of all business information. Integration can be seen under the functional perspective (systems of: finance, accounting, human resources, manufacturing, marketing, sales, purchases, etc) and systemic perspective (transaction processing system, management information systems, decision support systems, etc).*

⁶³*To be provided by the concessionaire Tribunal 6) support for the economy and structures.*

⁶⁴*An Application Service Provider (ASP) is a business that provides computer-based services to customers over a network. Software offered using an ASP model is also sometimes called On-Demand Software or software as a service (SaaS). The most limited sense of this business is that of providing access to a particular application programme (such as customer relationship management) using a standard protocol such as HTTP.*

their percentage capital share.

Employees should have access to a laptop or desktop so they can retrieve all company ERP information, as transparency within the organisation is crucial. Moreover, partners should always have their electronic agendas available to show their peers upon request. The same should hold true for information on their ongoing projects.

Member obligations

The member's main obligations are the following:

- Obligations of entry capital at the moment the company is created or as a result of a decision to increase the company's capital; members should agree to supply the amount of capital in question, which can be carried out in the following ways:
 - o Entries in cash.
 - o Entries in assets which are useful to the company - requiring acceptance by all other partners.
- Duty of loyalty and collaboration; each partner commits to conduct in good faith and agrees to respect his or her partners and the company. This includes not performing activities for a competing company; failure to comply with these requirements could result in automatic expulsion without any compensation.
- Duty to comply with a minimum working time dedicated to the company.

Next, we will detail this last point, emphasising that for each of the existing types of executive partners (exclusive and consulting), no fixed time schedules will be defined, although

certain activities, by their very nature, could necessitate their presence at the workplace. These should be considered exceptions to the rule.

In fact, the general rule will make each member responsible for the management of his or her own time, assuming all partners to be responsible and conscientious people. Besides this, partners will always be obligated to fulfil the pre-defined objectives.

Although each company's statutes should deal with the specifics of this matter individually, an exception should be made for the initial stage of implementation of the Ergonocracy Economic Model, as it will be wise to define minimum working time limits. In fact, each member should be required to work on site at the company for the following periods:

- For an exclusive partner, the minimum onsite working time should be ten per cent of the total number of hours in a year, i.e. 873 hours⁶⁵
- For a consulting partner, the minimum working time should be five per cent of the total number of hours in a year, i.e. 437 hours.

These minimum limits should be managed by each member as he or she saw fit, provided that minimum yearly totals are achieved. The quality of the person's work should remain high, of course, and objectives will need to be met.

At an early stage in the implementation of the Ergonocracy Economic Model, the average time each member will be

⁶⁵ *In traditional labour systems, in which people work eight hours per day, five days a week, and taking into account an average of five weeks of vacation, the total number of working hours per year is 1,880 hours.*

expected to work, counting physical and teleworking⁶⁶, should be about eight hours per day, which is similar to current averages in OECD⁶⁷ countries.

Thus, the objectives to be assigned to each exclusive member must be designed in such a way that they could be met (on average) in approximately eight hours per day, assuming that roughly half of this time could be onsite work and the other half could be teleworking.

Regarding the objectives that should be assigned to each consulting member, these should take between two and four hours a day to accomplish, although each case could be different.

Besides, prolonged absences will always have to be agreed upon among peers so that each member could be effectively substituted.

The company's activity and the partner's specific function should also be taken into account. This is the reason why each company will need to define minimum working limits in its own statutes, as we must recognise that in the short and medium term it will not be profitable to implement this system. However, the partner's working time could be reduced in future, if productivity were to increase. This may happen,

⁶⁶ *Teleworking means working at home, or at a tele-centre near home, for some or all of the time. It involves work that has to be done with a computer. Teleworking is one of the Smarter Choice measures that aim to change the commuting culture and manage demand for transportation services.*

⁶⁷ *The Organisation for Economic Co-operation and Development (OECD) is an international economic organisation of 34 countries founded in 1961 to stimulate economic progress and world trade. It defines itself as a forum of countries committed to democracy and the market economy, providing a platform to compare policy experiences, seeking answers to common problems, identifying good practices, and co-ordinating domestic and international policies of its members.*

among other reasons, because of increased mechanisation and automation.

5.4 Recommended process for conversion of companies

In this chapter a roadmap process is to be presented, including models that will specify some practical steps to follow for the conversion of traditional businesses into Ergonocracy Economic Model Companies. This approach focuses exclusively on economic matters.

Firstly, the designation t_0 will be used to refer to the moment when the majority of a given country's citizens decide to implement Ergonocracy as their political, economic, social and juridical regime. Subsequent phases will be referred to as $t_0 + n$, in which n is the number of years that are considered necessary to execute this stage.

Thus, the first step will be the introduction of a new law aimed at economic regulation, to be approved by all the citizens via the Community Web Portal. This law will include all rules set out in the previous chapters and take immediate effect for all new companies starting after the t_0 period, regardless of their size.

For companies already in operation at the t_0 moment, a set of regulations should be designed to ensure the smoothest possible transition. The assumption is that the smaller the company (i.e. the fewer the workers), the easier it will be to implement the Ergonocracy Economic Model.

Partner entry process

We will use the term “teammates” or “members” to define the total number of existing employers plus the number of

employees, provided that they assume effective and non-temporary functions in the company.

According to the Ergonocracy Economic Model, the concept of employers and employees will no longer exist. In a single new statute, this concept will be replaced and another introduced, that of partner-members. Clearly this is a very delicate issue. As the system has never been tested and it is natural for human beings to fear new realities, it is logical to expect people to resist this change. The greatest opposition will most likely come from business owners. However, certain employees, who fear situations in which they will have more autonomy, may also oppose the implementation of this system, as some people are insecure and feel the need to be directed. However, life must continue.

The process will begin with a period of negotiation between employers and employees. Employers will be expected to take the initiative and launch the negotiation process, which they should do only after carefully analysing the situation, particularly with reference to the following:

- Step a): Employers will have to choose an objective method and predetermined formulas to determine an estimated value for their companies, using the usual valuation process based on: earnings, revenue, cash flow, prospects of growth, strengths and weaknesses, equity, and subscribers; employers should also include patent rights, specific know-how, etc.
- Step b): Employers should put together a draft of the company's long term strategy, including all functions that should continue to be provided internally, as well as the expected capital share structure to be achieved at the end of the process.

- Step c): Employers will then endorse partner invitations and make concrete proposals to selected employees, starting with the partners they hold in the highest regard. Employers should realise that it is in their best interests to define, as early as possible, a selection process for bringing on board future partners that will ensure that the best human resources are secured and that the company's most critical functions are covered. Employers can choose to invite all employees or to invite none, as long as at the end of the process, a minimum of two partners is reached. This depends on the strategy of these managers, though they should be wise enough to take into account that, regardless of the number of initial "teammates" in the company, it is obvious that, at the end of the process, their percentage shares will be significantly smaller, even if they opt for a strategy to reduce the total number of members. One way to reduce the number of members could be to subcontract one or more outsourcing companies to carry out certain functions. This solution must be carefully analysed, as outsourcing is usually more costly and involves risks associated with the loss of internal technical know-how.
- Step d): After the chosen employees received their invitation, the negotiation process between employers and employees should begin. Two accords will need to be defined:
 - o Agreement on the company's value that the employer had presented (point a).
 - o Agreement on the share percentage to be held by the employee.

The final amount to be paid by the employer should equal the multiplication product of these two figures.

- Step e): The employee invited to become a partner will be able to question the evaluation amount (Point a) and request an independent audit; the results will determine the final value of the company under consideration.
- Step f): At this stage the employee invited to become a partner could present a counter-proposal for the purchase of a larger share percentage. These conditions should only be accepted if this member is considered to be indispensable to the organisation.
- Step g): After all conditions had been agreed upon, the liquidation of the share value will follow as the next step. This payment burden will be divided into three separate instalments, each one of them being assumed by a different person:
 - o First instalment: the employee who had been invited to become a partner will have to pay an amount equal to thirty-five per cent of his or her share value; this amount should be paid to the original company partners (the “employers”). In the event that the partner does not have enough money, he or she could apply for a low interest public line of credit created intentionally for this purpose. Once the money has been transferred, the employee will automatically become a partner-member and have no further financial obligations.
 - o Second instalment: the original company’s partners (the “employers”) will immediately have the right to receive from the company an amount equal to fifteen per cent of the agreed upon share value; this

amount will be free of taxes and, in addition, should appear in the company accounts as extraordinary costs. If the company demonstrates insufficient liquidity to make the payment, it should be able to request a public line of credit created intentionally for this purpose; and so, with the first and second instalments, the original company's partners (the "employers") will be assured immediate receipt of fifty per cent of the market value of the shares that they are surrendering.

- o Third instalment: an amount equal to the remaining fifty percent due to the original company's partners will be a necessary social transition cost that the original entrepreneurs will be undertaking with this change, as there will be no guaranty that they will ever receive this money. However, the company will officially assume this debt, without any interest to be applied, and pay the aforementioned original partners this remaining fifty percent at the end of a pre-established period of ten years. The company should annually consider the corresponding ten percent value provision. Thus, at the end of the ten year period, in theory, the company will be able pay off this debt. If the company is in a difficult financial situation at that time, a postponement payment plan of another five years should be proposed.

The original company's partner (the "employers") will have to repeat the above described cycle {Steps c) to g)} as many times as required for each one of the new members that they decide to invite in order to complete the new company share capital structure.

At the end of this process, all members should attend an important meeting for the purpose of defining their statutes.

Recently invited members should enter as executive members (exclusive or consulting), unless all partners unanimously agreed otherwise. Only after a certain period of time - to be defined in the company's statutes - could alterations occur. For example:

- A member could request a change of status, in an attempt to become a consulting or investor partner. These negotiations should always take place between the requesting partner and the rest of the company's partners.
- A member should be able to sell his or her share only after a 15 year period.

These limitations exist because it is important to bear in mind that this process is economically unfavourable to the original members. Therefore, these mechanisms are aimed at compensating for the costs that were inflicted on them during the transition process. Besides, the original partners will not be obliged to become exclusive partners. They will have the option of becoming consulting partners, if they so desire. This way they could obtain free time to start new projects that could provide them with additional income.

Time-frames for company conversion

Next, we will analyse company conversion deadlines, which will occur sequentially depending on the size of the company:

- Companies that, before converting to Ergonocracy, have fewer than fifteen teammates, will have five years ($t_0 + \text{five}$) to carry out a complete capital structure

transition.

- Companies that, before converting to Ergonocracy, have fewer than fifty teammates, will have eight years ($t_0 + \text{eight}$) to carry out a complete capital structure transition.
- Companies that, before converting to Ergonocracy, have fewer than two hundred teammates, will have ten years ($t_0 + \text{ten}$) to carry out a complete capital structure transition.
- Companies that, before converting to Ergonocracy, have fewer than one thousand teammates, will have fifteen years ($t_0 + \text{fifteen}$) to carry out a complete capital structure transition.
- Companies that, before converting to Ergonocracy, have more than one thousand teammates, will have twenty years ($t_0 + \text{twenty}$) to carry out a complete capital structure transition.

In the case of economic groups that have already been divided (before converting to Ergonocracy), into separate companies at time t_0 , each case need to be analysed separately.

Of course, large companies could necessarily be divided into smaller companies, the most logical division fragmentation criteria being a functional one, where competence centres associated to each company will be established. There are other interesting criteria, however, such as resorting to departmental or geographical divisions that already exist.

The task of trying to solve every dispute that may occur, including the task of accelerating processes blocked by the unwillingness of one of the parties, will fall to the Concessionary Company that manages professional relations

through a sub-function of the Public Function “6) Economy support”.

5.5 Examples of different ways to convert SME's⁶⁸

This chapter is somewhat technical and aims to demonstrate that whatever the size or the company activity, it will always be possible to convert a traditional company into an Ergonocracy type company.

Thus, several cases of different sized companies will be shown, with examples of social share structures in two different moments:

- The initial social share structure (capitalist).
- The final social share structure (Ergonocracy), resulting from the application of the Ergonocracy Economic Model.

Next, different types of cases will be examined, starting with the example of a small company:

68 SME's - Small and medium enterprises or small and medium businesses (SMB's) are companies whose headcount or turnover falls below certain limits.

Case One – “Micro-enterprise” company type

This is an example of a plumbing supply shop, initially composed of five co-workers, with the following structure:

Initial Share Structure (capitalist)	Final Share Structure (Ergonocracy) in 5 years
1 Owner (100% share)	1 Partner (40% share)
2 Shop assistants	2 Partners (12.5% share each)
1 Warehouse manager	1 Partner (15% share)
1 Technical engineer	1 Partner (20% share)

In this example, the original partner decided to invite all of his teammates to join the company's social share structure.

Case Two - One other example of a “Micro-enterprise” Company type

This case is an example of a cleaning services company, initially with thirteen co-workers, structured as follows:

Initial Share Structure (capitalist)	Final Share Structure (Ergonocracy), in 5 years
Partner A (50% share)	1 Partner (20% share)
Partner B (50% share)	1 Partner (20% share)
2 Salespeople	2 Partners (7% share each)
7 Cleaning technicians	7 Partners (5% share each)

1 Receptionist	1 Partner (5.5% share)
1 Driver	1 Partner (5.5% share)

This example is similar to the previous case, assuming, for the sake of simplicity, that the company should absorb all initial employees.

Case Three - Another example of a "Micro-enterprise" Company

Here follows an example of a company in the stationery and school supplies distribution business, initially with seventeen co-workers, presenting the following share structure:

Initial Share Structure (capitalist)	Final Share Structure (Ergonocracy), in 5 years
Partner A (40% share)	1 Partner (15% share)
Partner B (30% share)	1 Partner (12% share)
Partner C (30% share)	1 Partner (12% share)
5 Salespeople	5 Partners (7% share each)
1 Warehouse manager	1 Partner (7% share)
1 Warehouse assistant	1 Partner (5% share)
1 Marketing manager	1 Partner (8% share)
1 Secretary	1 Partner (6% share)

1 Receptionist	Function deleted, due to sub-contracting
1 Accounting officer	Function deleted, due to sub-contracting
1 Lawyer	Function deleted, due to sub-contracting
1 Human Resources Manager	Function deleted, due to sub-contracting
1 Security officer	Function deleted, due to sub-contracting

In this case, some of the company's core outside business functions were eliminated and replaced by outsourcing services to be provided by companies specialised in these areas.

One possible solution for these released co-workers could be for them to join together and create their own company in order to gain this client, as they have the advantage of a previous working relationship.

Case Four - example of Small Company type

This case is an example of a consulting and management services company, initially with twenty-four co-workers, presenting the following structure:

Initial Share Structure (capitalist) One company at the beginning	Final Share Structure (Ergonocracy), in 8 years	
	Company 1 Management	Company 2 IT
Partner A (25% share)	1 Exclusive Partner (11%)	1 Investor Partner (12%)
Partner B (25% share)	1 Consulting Partner (11%)	1 Investor Partner (12%)
Partner C (25% share)	1 Investor Partner (11%)	1 Exclusive Partner (12%)
Partner D (25% share)	1 Investor Partner (11%)	1 Consulting Partner (12%)
4 Account Managers	2 Exclusive Partners – 5.5% each	2 Exclusive Partners – 5.5% each
1 Receptionist	1 Exclusive Partner (5%)	Function deleted
1 Delivery person	Function deleted	1 Exclusive Partner (5%)
6 IT consultants	Out	6 Excl. Partners (6% each)
8 Management consultants	8 Excl. Partners (5% each)	Out

In this case, the solution consists of creating two

completely independent companies. Each will be specialised in its own core business: management or information technology. Therefore, technical consultants will be allocated according to their specialisation, the four account managers being divided between the two companies.

The four original partners are still present in the share structure of both companies, although they have decided to allocate executive functions to two of them, one per company, the other two still being present only as investor partners.

Although these two companies have become separate undertakings, nothing prevents them from staying in the same headquarters. If they decide to do so, they will be able to share common human and physical resources, such as the delivery person and the secretary, leveraging synergies and economies of scale.

Formally, each one of these elements will be a member of each of the undertakings, but there could be a cross-over contract specifying mutual provision of services, with Company 2 agreeing to provide delivery and pick-up services to Company 1 and, in turn, Company 1 could consent to providing secretarial services to Company 2.

Besides, although they are now separate entities, they can still share and exchange privileged information, marketing data and business opportunities, as bonds have not been broken and there are still direct shared interests.

Case Five - Example of Small/Medium Company type

This is an example of a sports articles distribution company owning seven retail shops, initially with a total of eighty co-workers and the following structure:

Initial Share Structure (capitalist)	Final Share Structure (Ergonocracy), in 10 years	
	Company “1” – (central)	7 Companies “2” (Stores)
Partner A (60% share)	1 Exclusive Partner (40%)	Out
Partner B (40% share)	1 Exclusive Partner (30%)	Out
Company “1” - (central)	-	1 Consulting Partner (35%) ⁶⁹
1 Driver	1 Exclusive Partner (5%)	Out
1 Receptionist	1 Exclusive Partner (5%)	Out
2 Warehouse assistants	2 Excl. Partners (5% each)	Out
1 Acquisition Manager	1 Exclusive Partner (10%)	Out
7 Shop supervisors	Out	1 Exclusive Partner (10%)
70 Attendants ⁷⁰	Out	10 Excl. Partners (5,5% each)
14 Security officers	Function Deleted	Function Deleted

⁶⁹ Partner A could be designated to four of these companies. Partner B should be appointed to the other three companies.

⁷⁰ These could be box-office attendants and pick-up and packing attendants.

In this case, Company 1 (central) will have a capital share of thirty-five per cent in each one of the seven local stores, and will name a representative to each one of these companies. This delegate could be Partner A or Partner B. One of them will probably be appointed to manage four of these companies, while the other three companies should be designated to the other partner.

At the moment when Partners A and B are trying to decide the best possible strategy for converting their company according to Ergonocracy Economic Model principles, it is possible to imagine that they may think that the above-mentioned solution is not desirable, as they may consider a thirty-five per cent share insufficient to maintain the necessary degree of control over each store. In this situation, one possible solution could be to rethink the whole process and reduce the number of attendants. In this scenario they could, for example, decide that each company-shop should have a maximum of seven partners so that they could hold a maximum 40% share.

In this case, each store should have one consulting partner (representing Company 1), a store supervisor, and five store operators. The company will subsequently have to subcontract the services of five attendants.

As these attendants will perform double functions (thus as box-office attendants, and pick-up and packing attendants) they could decide which of these functions should be performed in-house and which should be subcontracted.

In this example we will assume for simplicity's sake that the companies should keep as members all workers within each department, but this may not, in fact, be the best strategy. The most natural decision will be to invite as partners only those individuals considered most talented and capable.

In the short term, all exclusive members should probably keep their previously held functions. However, the idea is to create a climate of labour flexibility, mobility, and multi-tasking in order to increase productivity and to reward the efforts of the top performers - meritocracy - as a natural consequence of this system.

In fact, in this context, company members should tend to recognise and value the achievements of their best co-workers in order not to run the risk of losing valuable talent. This is the reason why they should be willing to value the merit and status of these top achievers and even agree to their receiving higher cash premiums.

This framework should help to create conditions in which all members could feel that they should improve their human capital. This could take many forms, including learning and training, research processes, constant commitment and a spirit of proactive mutual assistance.

5.6 Examples of different ways to convert larger companies

In the last chapter examples of the conversion of so-called micro-enterprises and small companies to Ergonocracy were discussed. The following examples concern larger corporate structures and aim to exemplify how these firms can convert to the Ergonocracy Economic model.

It is important to emphasise that, in economic groups where business structures are already divided into separate undertakings, each company or unit will always be analysed separately. It is thus assumed that each one of the companies in an economic group will undergo an Ergonocracy transition

process similar to that described in the preceding chapter - we call this analysis microstructure type study, which watches the member and the business function level.

In this chapter the scope and scale of the analysis to fit a broader macro-structure perspective will be extended where the microstructure analysis in favour of illustrating a variety of economic group organisation models and their high level impact will be abandoned. First of all, it is important to highlight that this analysis will be conducted from the perspective of the holding company - the company that holds a significant proportion of each of the other companies - which is often called the parent company.

In order to convert all of its group companies according to the Ergonocracy Economic Model, the holding company has at its disposal two main strategic options:

- Option A Model - a two-level hierarchical structure in which the holding company assumes the leadership position or at least holds a considerable capital share in all other companies in the group, including all new companies that will have to be created along the way. This strategy implies that there will be no intermediate level companies.⁷¹
- Option B Model - a three- or four-level structure in which the holding company is composed in such a way as to be able to maintain a very strong presence in all second-level companies, each of which, in turn, could belong to a different activity sector.

71 In some economic groups there are Sub-Holding Companies, usually one for each activity sector.

These second-level companies in Option B Model will control all third-level companies, which will control all fourth-level companies and so on.

The Option B model makes more sense if applied within larger economic clusters, as it allows a stronger presence in second-level companies, while the Option A model has characteristics that should fit best in clusters.

The Option A model is more complex than the Option B model and, in the case of very large structures, it will prove almost impossible for holding company partners to monitor all of their group companies.

Next, two examples where the implementation of these models can be observed, will be observed.

Case Six - Medium-sized Company example

This is an example of a ten store distribution supermarket company, with an initial total of 600 workers and the following physical structure:

- Headquarters and common services.

With the implementation of the Economic Ergonocracy model, each one of these entities should begin by becoming an independent company. Let us observe a possible example of the final organisational scheme:

- Headquarters - this new independent central company - Company a1 - will act as the holding company and should be composed solely of the previous traditional company's partners.
- Home Depot - this new independent company - Company a2 - should be composed of the traditional

company's partners plus Home Depot co-workers.

- Ten stores (supermarkets), each with approximately fifty employees; here, these business units could give rise to ten independent companies, which, for the sake of simplicity, will be called type b companies.

Taking into consideration that the Ergonocracy Economic model rule limits the number of members, each *type b* company will have to be subdivided into the following companies:

- Company b1 - this company should assume the task of management; its shareholders will be:
 - o One management - company a1 - with a thirty percent capital share.
 - o Several administrative and support co-workers.
- Three other companies (b2, b3, and b4) will be created, using a process of functional and departmental division. These companies will be autonomous, but should act under the jurisdiction of Company b1, whose final structure could be organised as follows:

Companies / contributors	Partners
Here is the structure for each of 10 type <i>b1</i> companies:	
Company A (Delegate)	Consulting Partner (30% share)
14 staff members – administrative service	14 Exclusive Partners (total shares: 70%)

Here is the structure for each of 10 type <i>b2</i> – Perishable food sector:	
Company <i>b1</i> (Delegate)	Consulting Partner (35% share)
4 Purchase managers	4 Exclusive Partners (6.25% quota each)
8 “Pick-up and packing” attendants	8 Exclusive Partners (5% quota each)

Here is the structure for each of 10 type <i>b3</i> companies - Non-perishable food sector:	
Company <i>b1</i> (Delegate)	Consulting Partner (35% share)
4 Purchase managers	4 Exclusive Partners (6.25% share each)
8 Auxiliary repositories	8 Exclusive Partners (5% share each)

Here is the structure for each of 10 type <i>b4</i> companies - Non-food sector:	
Company <i>b1</i> (Delegate)	Consulting Partner (35% share)
4 Purchase managers	4 Exclusive Partners (6.25% share each)
8 Auxiliary repositories	8 Exclusive Partners (5% share each)

In short, this is an example where the Option B Model has been implemented so that the holding company controls several second line *b1* companies, maintaining a strong presence in each one. In turn, each *b1* company will control a few third-level sectoral and operational companies (*b2*, *b3* and *b4*).

An important aspect of the distribution business is the fact that the key issue is usually their brand image. Thus it is crucial

to establish a set of contracts to safeguard fundamental elements of business continuity and protect the common brand, at least for a reasonable period of time.

In order to prevent companies from abuse in their dealings with each other, there is another important aspect that must be regulated. This is the establishing of approved transfer costs of goods and shared services among companies, a potential source of conflict, especially in industrial undertakings where the setting of transfer prices for raw materials and costs of semi-finished products is crucial. If doubts arise, goods should be valued in accordance with their respective market prices or average industry standard costs.

Case Seven - Another example of a medium-sized company

This case concerns an insurance company, initially with approximately nine hundred and fifty co-workers and the following structure:

- Headquarters - central services - with six hundred co-workers.
- Fifty agencies around the country - with one hundred and fifty co-workers.
- Support services for road traffic assistance - fifty co-workers.
- Health services supported by three medical clinics - with one hundred and fifty co-workers.

The first step should be to create a holding company - Company A - whose partners will consist solely of the initial core shareholders, given the high investment values at stake.

The primary mission of Company A should be to control and share management responsibilities with all second-level companies, participating in their share structure with the maximum possible share percentage (between 30% and 50%) and partitioning the rest of the capital shares among the remaining partners.

As an example, this could give rise to the following second line companies:

- Company B - the mission of this second-level company is to guarantee distribution and sales and to participate in the management of the fifty public agencies; each of these agencies should give rise to a semi-autonomous third-level company. Another possibility could consist of creating a company in each geographical area, aggregating several local agencies. Obviously, Company B should participate in the capital structure of these companies with the largest share possible.
- Company C - this second-level company should be in charge of support services for road traffic assistance; this process could give rise to the creation of a few third-level companies operating by service type, or by geographical distribution, to be defined according to the potential number of clients and with consideration given to the characteristics of the activity. Of course, Company C should participate in these companies' capital structure with the largest share possible and should also take part in their management process.
- Company D - This Company should operate in the health sector and should manage health services as well as three medical clinics; thus, it will be necessary to create one or more companies by type of service, at

least one for each clinic, plus another company to manage the analysis laboratory. It may also be necessary to create a new company aimed at providing common services to the other companies; Company D should participate in these companies' capital structure with the largest share possible.

So far the implementation of a model consisting of three hierarchical levels, equal to the implementation of an Option B type model, has been looked at. For the rest of this economic group, it will next be illustrated how the Option A model could be applied, where there are only two hierarchical levels.

The services that were previously provided by the staff at headquarters should be broken down into several separated areas, which could give rise to at least one company per area. Thus, this division process could begin by dividing the company's specialists by type of product or business, creating second-level companies set out as follows in this example:

- Company E - Life Sector (personal accidents, etc.).
- Company F - VIP's and Sporting Sector.
- Company G - Vehicle Sector.
- Company H - Housing Sector.
- Company I - Credit Insurance and Export Sector.
- Company J - Reinsurance and Development Sector.

In this example, Company A will hold a direct share in each company, owning the largest share possible.

Each company will have the mission to act as a "factory", providing all necessary input to the commercial companies (Company B and its fifty agencies), evolving calculating,

formatting, managing and launching insurance services.

Still at this second level, companies destined to administer other management services should be considered, namely:

- Company K - strategic management services.
- Company L - marketing services and development.
- Company M - financial management services.
- Company N - resellers and partner channel; the mission of this company should consist of supporting business partners and mediator activities.

Next, also at the second level the so-called support companies should not be forgotten:

- Company O - human resources services.
- Company P - administrative and support services.
- Company Q - accounting services.

The activities of these three companies are aside the economic group's "core business" and so another possible strategy is to resort to outsourcing. This will depend on the strategy that is decided.

It should be emphasised that this type of business, sustained in multiple, different companies, can only work if two key elements exist:

- A good online information support system to accurately reflect all process flows and all organisational rules, based on matrix logic.
- A corporate business culture that values the customer, imbedded in a mutual assistance team spirit, where each partner's timing and scope of activity are always carried

out in a professional and committed manner, and also recognises the importance of partnerships with other companies.

In short, this is an example of a hybrid model, although containing more model B characteristics than model A.

Case Eight - large companies

Typically, a great portion of large companies' capital stock is dispersed throughout the stock exchange market. The stock exchange market, which will be dealt with later, is considered an entity that has no role in the Ergonocracy Economic Model. In fact, a rule will be suggested stipulating that all companies should be given a deadline, depending on their size, for the progressive withdrawal of their capital stock.

It is recommended that both capital stock withdrawal procedures and the subsequent process for the nominal conversion of shares should occur before the restructuring of the company according to Ergonocracy precepts, which is described in previous chapters. If this is not possible, which is understandable, because it is a time-consuming procedure, then both processes will need to happen simultaneously.

The subject matter of this chapter applies to any large company or corporation. It is obvious to say that these are the types of cases where it is most difficult to implement the Ergonocracy Economic model, as new strategic approaches will need to be adopted.

For companies in the service or finance sectors and in other areas, such as mining, agriculture, health, trade, etc, size is not necessarily a problem. The division processes will be much the same as seen in previous chapters, with the exception that there will probably have to be more than one holding company and

more small companies.

However, large corporations pose the greatest challenge. So, let us imagine the example of a worst case scenario, that of a metallurgical industrial production company that owns industrial plants in three different countries and initially employs five thousand workers. Let us now analyse one of the plants, for example, a three thousand worker production assembly line, divided into a few sections where each group of workers will have to repeat each step of the process indefinitely.

In such an environment it is very difficult to envision the Ergonocracy Economic Model ever being successfully applied.

Indeed, the Ergonocracy Economic system was conceived in humanistic terms and cannot be executed in a structure of this magnitude, where each worker's contribution is all but negligible, as he or she performs repetitive steps in a setting where any one worker can be easily replaced by another.

In a quest to reconcile technical and economic concerns with ethical aspects, we arrive at a phase where we should pose the following questions:

- What is the optimal size of the plant in terms of economies of scale?
- Will this require an intensive work structure?
- Is the marginal cost of each produced object the main concern of the company?
- Regarding basic and repetitive tasks, will it be possible to replace the present workers with machines or robots?

In relation to this last question, an immediate, natural objection arises, as it is logical to assume that more

mechanisation will result in increased unemployment. However, Ergonocracy strives to place this issue on a different level, which is the following: Is this the kind of labour that we should strive to protect? Does human survival justify everything? Do human beings not deserve better occupations than those associated with slavery where they are doomed to perform basic, repetitive tasks all day long?

Once we are faced with a repetitive work logic involving large numbers of people, we are necessarily talking about a low-value state of affairs, where labour is degraded and an environment is created where employees are undervalued as people.

Even if there is an increase in unemployment due to a global increase in automation, there are several mechanisms that can be implemented to reduce unwanted consequences, such as the following:

- Industrial workers could be given the option of generally reducing their work hours, which should allow the industry to absorb a portion of unemployed workers. This could only work if it was a global worldwide decision.
- A global increase in automation may be economically feasible, provided that average productivity is increased while the Ergonocracy economic model is being implemented; in this complex context, which transcends a purely econometric approach, Ergonocracy argues that, in the long term, there are only two ethical ways open to these types of companies:
 - o Regarding companies that operate assembly lines, who by the nature of their products or markets, find it difficult to do away with low-value repetitive task

jobs, a rigorous economic feasibility analysis should be undertaken with a view to introducing automation techniques through the use of robotic machinery; generally, it is elementary common sense that this low-value labour context will only be worthwhile if wages are low. This state of affairs is, of course, not desirable as a viable, ethical model for the future.

- o Regarding companies that operate assembly lines, who by the nature of their products or markets, are convinced that their clients will appreciate and be willing to pay for increased quality, these companies will tend to assimilate and value qualitative changes. The “master-craftsman” concept is approached where the worker masters a few techniques and applies specific technical adjustments to each product, which will be custom-made to the wishes of the final client, an option that is now possible in the information age. The advantages of this system are that these types of tasks are no longer characterised by repetitiveness; also, the final product will be of higher quality and value, dignifying the craftsman’s skills as applied to each specific customer needs. It is clear that in this context the final price and profit margins will be higher, but everyone wins, including the company. In this way serial (commodity-type) products are no longer turned out, which makes it easier for the company to increase its client portfolio. ⁷²

72 This type of approach fits the Ergonocracy economic model and will be detailed in a later chapter.

Both approaches can be applied simultaneously, as they are not mutually exclusive.

A very important aspect to take into account concerns labour marginal productivity. All scenarios should involve a quantitative analysis of this indicator in order to provide support for the decision in question. This is the most important criteria for economists, since it is an indicator that helps determine the ideal total number of company members.

Companies that opt for such a framework may find it logical to apply directives for subdivision in accordance with Ergonocracy Economic model capital share rules, as noted in the previous examples.

Again, conversion of these types of industrial companies could start with the creation of the holding company, which could own a significant amount of shares in all the others:

- Second-level companies: central services company plus one management company in each country.
- Third-level companies, to be created inside each plant, according to departmental and functional plant division, or even by product type. Each case is different and decisions may result from an in-depth technical analysis designed to make the project viable and functional.
- Fourth-level companies - we must recognise that these companies could be very shortly autonomous, but in time they may start to gather other clients and new business lines of their own.

Again, an important aspect to point out is that whenever a new company is created, this does not mean that we are creating a watertight structure composed of separated support structures. This will never be feasible in terms of costs and

existing resources, so common structures will remain.

Each one of the small companies recently created should keep consuming the same level and types of resources as they did before. Each company/unit will still use the same offices as before, including the same services as before, like for instance, receptionist, security and cleaning services.

The only thing that could change, in the short term, is the ownership of assets and the decision-making process, which could begin to take into consideration the will of each, while still respecting global strategy.

The whole system requires the formalisation of contract-agreements to settle everyone's rights and responsibilities and to regulate the common use of resources, cost affection and division of revenue. Fundamentally, this is a matter of imputing to each company the exact cost that they are responsible for so the biggest difference is the accounting process. The same should happen with the revenues. Some values are easy to allocate. Others are very difficult, as they are transversal figures. In these cases there should be created transparent and consensual formulas to allow a proper allocation of costs and revenues.

In the case of industrial corporations, which have plants in several countries, there is a very important factor to take into account: in order to successfully implement the Ergonocracy economic model, it should have to be implemented, more or less simultaneously, in almost all countries.

In the event that a few major countries decided to keep working as capitalist exploitation logic dictates, it is easy to understand that they could easily "invade" other countries with their artificially cheaper products, resulting from malpractice and unsound practices, where in some cases workers do not

have any labour rights or in other cases, child labour is practiced. In these cases, as will later be explained in detail, the only possible solution is to create two autonomous international blocks of countries: the block of countries that embrace human and labour rights, and all the rest; of course, commerce between countries on these separated sides should be heavily taxed.

5.7 Macroeconomic rules and guidelines

Taxes

In terms of taxes, according to the Ergonocracy Economic Model, there should only be two types of taxes:

- Local Community Taxes - taxes paid by local citizens that are associated with their Local Community residence. This type of tax is already explained in a previous Chapter.⁶⁸ The calculation of this indirect tax consists of a direct allocation to each residence for its share of all the Local Community costs, based on consumption.
- Global Community Taxes - The Ergonocracy Economic Model proposes that there should be one main tax. It could be similar to the existing Value Added Tax (VAT)⁶⁹. VAT taxes should be paid by all final consumers and collected by all companies. This tax focuses on direct usage and taxes the “added value” of

⁶⁸ This issue has been referred in a previous Chapter: *Ergonocracy Social Model - Local Community*, more precisely, in the *Financial Management* sub-chapter.

⁶⁹ VAT differs from a sales tax, which is levied only at the point of purchase. Each business has a strong incentive for its suppliers to pay their taxes, allowing VAT rates to be higher with less tax evasion than a retail sales tax.

each transaction carried out by the taxpayer, and all businesses will be able to deduct VAT along the chain of transactions.

There are two possibilities, which will have to be decided by each country's Global Community citizens:

- First scenario: Define a single percentage tax rate to be applied to all products and services.
- Second scenario: Define a few categories, that is, different tax rates according to the nature of the products and services:
 - o For products and services considered essential, there could be an exceptional lower rate.
 - o For services and products considered harmful to one's health, luxurious or superfluous, there may be a higher rate.

What is important to emphasise is that the taxes definition should be merely a technical decision resulting from the level of goals that the citizens had decided to achieve, being this tax level calculated through predetermined consensual formulas.

Next, a simple formula to allow the calculation of this tax rate (percentage) is suggested, which will occur in parallel to the Global Community budget calculation, but this example is only for the First Scenario, which is simpler to understand⁷⁰.

First, final Global Community accounts from the preceding year should be looked at, and which should be done by the end of the first month of the new year. For this equation, there

⁷⁰ *And this First Scenario is what we recommend to all start-up Ergonocracy regimes. At first, it is important to make all rules simple. In time, people are more ready to accept more complicated systems.*

should be the following notation:

- Y - total tax amount to be accrued by the end of the year.
- K - forecast of all revenue⁷¹ directly obtained through public services.
- Z - forecast of all public services direct expenditure (costs)⁷².

N - security margin fraction; it makes sense to take into account that the expenditure value may be higher than expected (typically, ten per cent).

P - savings value target; every year, each public service is supposed to try to increase its savings fund (typically, five percent of the previous year's total expenditure value).

C - compensation value: This value will be exactly the same as the previous year's final accounts' balance (if the balance is positive, then this value will enter into the equation as negative and vice versa).

And so, the formula that summarises the calculation of all tax value is the following: $Y = Z + NxZ + P - K + NxK +/- C$.

Y is therefore the total tax amount that all citizens will have to gather during that year.

Next, an estimate of the Global Community citizens' income for the new year will be made, taking into account the following variables:

⁷¹ *The cost values and also the revenue values can be obtained in each Public Function Concessionary Company defined Budget.*

⁷² *It should be noted that among these costs are contained all social costs, including all social protection in terms of unemployment, old age, illness, etc.*

- V - Gross Domestic Product⁷³ - this corresponds to the total amount that all businesses have invoiced during the previous year (entire national income).
- T - estimated GDP growth rate.
- $W = V * T$ - corresponds to the GDP forecasted for the new year.

Now that the values for Y and W have been obtained, the single percentage VAT tax rate (I) for the new year we can easily be calculated which could be estimated as follows: $I = Y / W$.

Thus, the decision of cutting or raising taxes will only be a technical decision that must be confirmed by the Global Community citizens' vote. However, in order to decide a different value from the estimated "T", it should be required to have a qualified majority vote. It is important to reduce the risk of illogical populist proposals being approved.

Many left wing people will argue that the VAT is a "blind" kind of tax that equally affects the rich and the poor, and thus causes a much greater impact on poor people than on rich people. So, it is preferable to impose other kinds of indirect or direct taxes. There is a tendency to agree with this notion, but this understanding resulted from a compromise, or trade-off, which seems fair to make in order to avoid penalising the richest citizens, taking into account that the upper class will have already been sufficiently penalised with the introduction of the Microeconomic Ergonocracy Model. More precisely, this

⁷³ *The gross domestic product (GDP) or gross domestic income (GDI) is a measure of a country's overall economic output, coming under the heading of national accounts. It is the market value of all final goods and services made within the borders of a country in a year. It is often positively correlated with the standard of living.*

is due to the rules concerning shares and statutes, where these company owners were obliged to sell an important part of their shares for half the price. But of course, the Global Community citizens should decide these kinds of issues. However, it is important to emphasise that a healthy middle-class environment should always be a priority. Let's not forget that a powerful upper class can be a serious handicap to the implementation of Ergonocracy. It is not in the best interest of those who support Ergonocracy to turn such a powerful group into enemies.

This tax model doesn't mean that other taxes will not be considered, for instance, succession, customs, fuel, luxury and beverages taxes, etc. This only means that, if they do exist, they should be regarded as tactical taxes, always with an exceptional nature and aiming to reach a concrete social objective, and never to remedy the shortcomings of the Treasury department.

However, Ergonocracy supporters truly believe that it will not be wise to implement profit related taxes, because of two reasons:

- With the Ergonocracy model, if profits were penalised, workers' wages at the same time will be penalised, and
- Efficiency should not be penalised. In fact, if profits are directly taxed, this means that companies that were able to manage their projects in a more successful manner will be penalised in relation to the others. It is precisely this type of message that should be avoided. Effectively, incentives should be given from a positive perspective and not a negative one.

Budgets

In relation to the above mentioned global variables K (forecast of all revenue directly obtained through public services) and Z (forecast of all public services direct expenditure - costs) these values will be obtained by summing the values that will have to be informed by each Public Function's Concessionary Company.

In fact, each Concessionary Company that manages each Public Function will have to estimate its own directly related values and also obtain its Sub-Concessionary companies' figures.

These values ought to be in accordance with the previous budgets that were included in the Concessionary Company (electoral) Program (Request for Tender).

The responsibility to undertake all these accounting falls under the Concessionary Company holding Public Function 7) Financial, monetary and administrative management.

Budgets should be under tight control

It should be bared in mind that when countries or people take on debt, they are exchanging future spending for current spending.

The Ergonocracy Economic Model defends that the phenomenon of increasing debt that is widespread among most Western countries' treasuries in the beginning of the 21st century, is completely unacceptable. Like families, countries should live within their economic means.

Thus, there should be strict budget control measures setting huge penalties for State-run Concessionary Companies that

aren't able to manage and control their budgets. Only the occurrence of any extraordinary or catastrophic event can be used as justification for this. Serious cases of mismanagement can lead to automatic discharges from office.

In addition, the budget process should also be very rigorous, always taking into account a significant calculation margin. This is why in the previous tax calculation chapter the notation of the fields "N - security margin fraction" and "P - savings value target" were defined. These fields should also be considered in each Public Function budget.

The standard objective should be for the overall budget to always present a positive balance so that the Global Community can always be prepared to finance unexpected expenses without needing to increase taxes.

It has to be this way because a great debt implies that a great amount of interest will have to be paid, thus creating a heavy burden for the present generation and especially for those of the future. It seems to make sense that future generations should help pay for long-term investments but the current generation should pay for most of it because they are the ones who made the decision. Controlling public debt is also important in order to guarantee a country's independence. Countries that have accrued great debt are in the "hands" of foreign financial institutions, such as rating agencies, which have a huge influence when it comes to defining the interest rates to be applied.

Public-private partnerships (PPP)⁷⁴ should not be allowed

⁷⁴ *Public-private partnership (PPP) describes a government service or private business venture, which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPP, P3 or P4. PPP involves a contract between a public-sector authority and a*

but if they ever become popular they should only exist as long as they agree to invest and accept the normal business risk. Also, the cost to the public should be non-existent or negligible.

Money should only exist in digital form

Since the second half of the 20th century, money has existed in two forms: physical (coins and bills) and digital (electronic transactions). There has been an increasing tendency for financial transactions to be digitally processed, either through bank transfers or via debit or credit cards.

The Ergonocracy Economic Model advocates that money should only exist in its digital electronic version and that its present physical form should be discontinued.

Money will still be quantitatively measured, and able to be immediately transitioned through bank accounts according to the instructions provided⁷⁵.

At an initial stage banknotes should be discontinued, but coins will continue to exist in order to allow for payments of little monetary value, ensuring the way for a smooth transition with minimum inconvenience to all the parties involved. Later on, coins will also be discontinued. During this period, it will probably be necessary to introduce additional payment mechanisms, such as an “electronic purse”⁷⁶ type of debit card.

If this model is effectively implemented, it will have the

private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

⁷⁵ *As done today, this type of instructions could be given, among other means, via Internet on line banking, through a computer or mobile phone.*

⁷⁶ *Electronic purse or wallet type of cards, may carry a preloaded monetary value and can be used as a means of payment for multiple small-value purchases.*

following advantages:

- Greater transparency, as it will be much more difficult for anyone to conceal any illegal or “black market” business, since all transactions and revenues will leave a trail. They should all be registered in a database, and accessible to any police investigation of financial crimes.
- Moreover, during an investigation, using cross-information techniques, it could be easier to carry out the investigation.
- Tax evasion and tax fraud should become more difficult as all banking information could be easily referenced and compared with official accounting reports.

The currency will only present its nominal expression without being indexed to any other currency or commodity. This viable model will be sustained by the confidence that all citizens place in their Global Community as it happens with the systems that exist today. This can be applied in any country, as it is not dependent on any additional technological innovation.

The abolition of stock markets

The Stock Market Exchange has no role in the Ergonocracy Economic Model. It is an alternative and will be described in next chapter called Company Managed Nominal Titles Model (C.M.N.T.M.). And so, there should be a guideline defining that all companies be given a deadline, according to their size, for the progressive withdrawal of their capital stock. This type of company funding is considered a dangerous, unnecessary and inefficient process:

- Dangerous, because stock markets are essentially

influenced by rumours, and have Casino-like characteristics. They present a good opportunity to everyone who likes the adrenaline derived from taking risks. The problem is that economic systems are sometimes negatively affected by this sensitive business and financial sector.

- Unnecessary, because it is possible to create an alternative model that better promotes finance business, in a more direct and transparent way. This will be described later in the book.
- Inefficient, because the stock market does not reflect the economic reality of companies, as it is highly dependent on those who speculate and influence, by analysing only a part of the perceptible world in a subjective way. Moreover, the stock market has cyclical upward tendencies followed by sharp declines. When this happens, the prices of shares for most companies will decrease all over the world. Therefore, the indices do not necessarily reflect the true performance of companies. They only represent an attempt to forecast these speculative cycles.

In addition, there is still a possible side effect that distorts the application of good management policies, which is reflected in the subversion of medium and long-term strategies. This is due to the fact that companies with shares in the stock exchange are obliged to disclose periodic public reports⁷⁷, typically quarterly reports, which means that decisions are made for the short-term, by taking into account the impact that those choices will have on the accounting figures. It is

⁷⁷ *The reference here is about the reports and accounts.*

important not to forget that many top administrators have their income and financial bonuses indexed to these outcomes. And thus, it is not surprising to see that long-term strategies are put aside, including decisions concerning long-term investments, because the main concern is a company's financial performance.

Thus, the Ergonocracy economic model advocates the implementation of a guideline for all companies to set a deadline for the withdrawal of their entire capital stock. This should be done in a gradual manner in order to create the least possible impact on financial markets and on stock price fluctuation. For example, with a twenty-five percent withdrawal of its capital stock every five years, so that at the end of four cycles, that is, after twenty years, a company could be completely free of this financing system.

Many capital stock withdrawal solutions can be foreseen, but the best ones will be those which have the least impact on business growth and real economic growth.

The simplest way is to have the company pay out its corresponding stock-market value. This can be done by using its own liquidity asset or assuming the corresponding liability.

Another alternative financing process at a company's disposal will be suggested in next chapter (see Company Managed Nominal Titles Model [C.M.N.T.M.]).

Let's not forget that, according to Ergonocracy Microeconomic rules concerning shares and statutes, at the same time that these companies are going through this process, they also have to go from being a public limited company (PLC) to a private limited company (Ltd), while all their Capital Stock is being converted into shares. In this process, all the above-mentioned Ergonocracy Microeconomic Rules

should be applied, including the imperative that, for each member, the minimum allowed share should be five percent⁷⁸. Regarding global commodity markets, the Ergonocracy Economic Model recommends the same fate for all the instruments that are used to determine the prices for raw materials. These artificial markets should be discontinued because of all the consequences that they have led to: setting very low trading prices, making it very difficult for producers to earn their fair share in the process, and allowing intermediaries and speculators to make most of the profit. This happens in many sectors, such as agriculture, fishing, mining (ex: diamond industry), etc.

There are many ways to solve this problem. Also, today's tools for the Information Age can easily create and develop the existing B2B trading marketplace portals which will bring businesses together, shortening the distance between the raw materials supplier and the final consumer, or better yet, between the supplier and the manufacturing company.

All situations in which one of the parties gains most of the profit at the expense of the other party should end once and for all. These new instruments will have to take into consideration one important concept: protecting the weakest link in the chain.

Company managed nominal title model (C.M.N.T.M.)

As already stated, the Economic Ergonocracy Model advocates the conversion of all existing types of companies into private limited companies (Ltd).

Instead of capital stock shares, the Ergonocracy Economic

⁷⁸ All stockholders who own less than five percent, which could be the majority, will have to sell their stock. Some of them could opt to buy shares in order to obtain a five percent minimum.

Model - proposes a new capital participation method presented by Company Managed Nominal Titles Model (C.M.N.T.M.), which is both similar to and different from the present system:

- The similarity is that there will still exist capital stock shares or titles, that is, each title will also represent a part of the company's capital, and it is inherent that the company is obliged to make the corresponding periodic payment of dividends.
- The most obvious difference is that each title will no longer fluctuate in the stock exchange. There will no longer be stock markets, as these kinds of intermediaries will cease to exist. Companies will be solely responsible for settling all trading processes. In fact, the capital title's main function is to represent a capital share percentage, which remains unchanged.

In fact, each capital title share transaction is always performed and measured in percentage units, with a minimum of 0.01% of the total capital shares, and so each transaction must be always performed in multiples of 0.01% of a company share.

Each company will not be allowed to place as C.M.N.T.M. capital more than twenty five percent of the company's total capital value.

After the proper authorisation of the regulatory body, these C.M.N.T.M. titles are released by the company (issuer), which will be allowed to advertise this release in the financial market.

Initially, the nominal value and the initial value of the title will be the same. This value will be calculated taking into account the above-mentioned methods that are used to

determine the company's real market value⁷⁹.

This value can only be reviewed once a year, according to the Annual Company account report, which will imply that the C.M.N.T.M. titles value should vary, reflecting the appreciation or depreciation of the company's value. In this case, the title's nominal value will automatically be updated in order to reflect this new amount.

We must take into account that these C.M.N.T.M. titles can at any time be traded between buyers and sellers, for the agreed amount, determined by a negotiating process between them, according to the law of supply market mechanisms. Thus, the market value and the nominal value will coincide at least once a year, at the time of the nominal value update. From that moment on, there will be a natural tendency of a widened gap between these market and nominal values, according to the company's performance expectations.

Indeed, the C.M.N.T.M. titles market value may be seen as a market expectation indicator in relation to the performance of the company. Every time there is a huge difference between the nominal and market value, it is an indication that there is a huge upward or downward market expectation. It can also serve as a window to the future for all prospective investors, showing the potential risks associated with an investment.

According to this C.M.N.T.M. any title holder will have the guarantee of a risk-free investment, because there is a rule that

⁷⁹ *Please see a previous Chapter named Partner's entry process, in which it is mentioned that employers will have to choose an objective method, by means of predetermined formulas to determine an estimate value of their company, using the usual valuation process based on earnings, revenue, cash flow, prospects of growth, weaknesses and strengths, equity, and subscribers. They should also value its patent rights, specific know-how, etc.*

states that all investment is entirely guaranteed by the issuer, provided that the new holder's investment has a minimum duration of three years. And so, if the title's value depreciates, the investor will have the right to receive the exact same amount of money that he or she initially invested. If the investor decides to sell the title before the end of the three-year period, he or she will lose this right and he or she will have to sell at market's price.

The main aims of this Model are:

- To assure the investor's protection, allowing for a protective buffer to lessen the impact of a sharp decline in the title's value. It should be noted that this kind of investor will have a very small role in the company's future and shouldn't be harmed by its misfortunes.
- To assure the market's protection, by trying to reduce the effects of market instability. In fact, in case of title value depreciation, the one who is responsible is the company. This is fair, because the company (issuer) is ultimately responsible for its achieved results and for its own success or failure. Also, the decision to finance in this way was made by the company.
- To allow small-time investors to invest directly in the economic sector, with controlled risk and guaranteed long-term earnings, with the aim to encourage effective saving.
- To assure that all companies have a simple way to obtain their own financing, in a controlled environment, without having to accept and share power with another partner⁸⁰. Also, with this model the issuer is better

⁸⁰ *This applies particularly in cases in which the company believes that it has*

protected against the hazards of stock market speculation and as a further protection we remind that the issuer will not be allowed to place as C.M.N.T.M. capital more than twenty five percent of the company's total capital value.

- The benefit for companies is that they alone manage their financing without having more than one partner, i.e. without having to share power with others.

All these C.M.N.T.M. title transactions must be publicly released and managed within each company (issuer) website, through an automated process, able to provide relevant information not only about the company's business but also about the number of title owners at any given moment. This information is also important to the Sub-Concessionary Company that has a role in controlling this kind of activity, in order to allow this Sub-Concessionary to accurately identify each title holder.

This type of business can also be done through intermediaries - financial institutions - who will charge the company a small fee for this service. In any case, after the deal is made, all investment processes should be handled via the issuing company's website.

Furthermore, this website should allow any title seller, including the issuer, the ability to announce prices and quantities of titles for sale. On the other hand, every potential buyer should be able to consult all the offers, to be sorted in order of decreasing value. Also, the buyer should be able to buy the titles, by officially announcing his intention, indicating

already reached its ideal dimension in terms of human resources.

the desired quantity⁸¹ and making the necessary payment. After payment has been confirmed, the issuer should immediately and automatically complete the title's transfer of ownership through an online process.

All title owners will have the right to participate with their corresponding votes during strategic voting processes. They should also be entitled to receive any dividends on a monthly basis as so happens will all other members/partners.

At the moment that this C.M.N.T.M. capital operation is launched in the market, the issuer has the obligation to specify the duration of this financial operation, between four and twenty years. The issuer will not be able to cancel this financial process before the end of the established time period, unless an exceptional case arises in which all title owners have chosen to sell their titles.

When the company launches this C.M.N.T.M. financial operation, all existing member's shares are shrunken in the same proportion of the percentage value of the financial operation. As an example, imagine a company that decides to issue a C.M.N.T.M. financial operation corresponding to ten per cent of its capital value. In this case, all members' shares will be reduced by ten per cent.

At the option of the investor, each of these transactions may be subject to a very low insurance fee, which will be paid to an insurance company chosen by the Sub-concessionary Company that controls this activity. This action aims to guarantee that when a certain issuer goes bankrupt, all investors get their initial investment back.

⁸¹ *At this point, a mechanism to reduce this value may be put in place, because if it is considered that there are no salary costs, this means that as a mathematical result there will always be higher profits, which may not be fair to the working members.*

Financial services - the banking sector

As a future reference, one should begin by noting that Banks deal essentially with three types of clients:

- Customers with credit (deposits and funds) - Depositors.
- Customers who take on liability, borrowing money from the bank - Borrowers.
- Both types of customer - those who fit in both of the two previous categories.

Since the dawn of civilization, activities related to lending money have always been regarded with contempt. People tend to question whether actions that may involve taking advantage of the difficulties and despair of others are ethical.

Moreover, it can be observed that with most loans, borrowers are just prolonging the problem, and, in fact, risk seeing their problems get worse even more over time.

The consumer environment in which we live and the enormous desire to match our neighbours' standard of living undermines a borrower's critical reasoning, making them take on costs they cannot afford. The situation can get worse whenever borrowers are faced with unexpected problems, such as unemployment.

It is also observed that company decision-makers, in the event of financial difficulties, take on debt, preferring to delay resolving a problem rather than trying to identify and resolve problems within the company structure. This way, they avoid potential conflicts and internal hostilities because the cost reduction process usually means the end of certain habits and privileges.

In economic terms, it should be bared in mind that the decision to take on debt is equivalent to reducing future spending. In other words, the borrower trades future spending for present spending, with a certain loss in value equivalent to the interest fees charged. And so, from an economic point of view, debt only makes sense in very specific circumstances:

- The acquisition of long-term investment assets, e.g. the purchase of a home, which has the additional advantage of capitalising on one's own rent instalment values, which otherwise would be paid in full to a landlord.
- The acquisition of investments that increase the borrower's ability to generate income, such as education and training; also, the acquisition of means of production or buying shares in company stock.
- “Force Majeure” type cases in which no particular party is liable, such as basic survival or health issues, as well as disaster-related unexpected costs.

In most cases, central banks loan money to private banks, charging a certain interest rate. Then, the interest rate these private banks charge most of their customers incorporates their own “spread”, which includes risk premiums.

Credit loans are therefore seen by the banking sector as important commercial products to sell and there is much commercial incentive for the propagation and distribution of credit although the credit risk is increasingly being taken in account.

As this can be a delicate and emotional matter, affecting people's lives and leading to enormous social costs, the Ergonocracy Economic Model argues that the decision to get a loan should not be left solely to the whim of lenders and

borrowers. The Global Community should encourage debate throughout all sectors of society in order to establish restrictive guidelines.

The Ergonocracy Economic Model defends that only the Global Community should be allowed to grant loans, and the banking industry should be used as an intermediary for this purpose. The Global Community could also participate in this action directly through the Community Web Portal, through which people have access to a set of basic financial services, as outlined in the following chapter.

Thus, the Global Community should provide the banking sector with a significant amount of available money, which should then be channelled to all institutions, businesses and citizens, in accordance with previously established guidelines. All borrowed money should therefore come from no other source than the Global Community, which is none other than the issuer of all digital cash in circulation.

This way an end could be put, for once and all, to the dangerous phenomenon usually called “financial leverage”⁸². Banks should simply serve as financial intermediaries, charging a fixed rate for this service. This will be a fee and could never be seen as a spread.

The Global Community should define the loan process, namely the terms and the conditions. It should take into consideration the purpose of the loan and define the interest rate to be applied.

⁸² *This is a common financial scheme used by most banks in order to increase their capital profitability, whereby only a small percentage of all lent money comes from the gathered clients deposits; constituting a risky process specially when mistrust rumours lead to bank “races”, because banks are unable to deliver all claimed money.*

For some of the above-mentioned types of loans, the Global Community may decide not to apply interest rates, particularly on investments needed to create production facilities or to buy company shares. These types of investments should be encouraged. It is in this context that risk capital partner companies do their part as it will be seen further.

Each citizen has the right not to disclose the purpose of the loan. In this case, as well as when the purpose of the loan does not correspond to the above-mentioned types, the citizen still has the right to request a loan but will be subjected to a higher interest rate. These loans will only be issued if the borrower's degree of effort⁸³ does not exceed an established limit, which should not surpass ten percent of the borrower's monthly income. The goal of these measures is to prevent people from getting into serious debt, especially through the purchase of superfluous material goods.

For the same reason, loans between individuals should no longer be legally recognised, that is, nobody could sue another person because of money owed to them. Besides, if someone needs a large loan, greater than one third of his annual income, the only way to ensure the loan will be to provide the corresponding warranty or mortgage beforehand.

Among the goods that may be subject to a mortgage are company shares that people own. However, there is always a minimum share that cannot be mortgaged; this corresponds to a minimum of 5% of the company capital that the partner holds. This amount is considered an individual's professional inherent condition, and therefore cannot be negotiated.

⁸³*The rate or degree of effort is given by the ratio of debt service (interest and depreciation of loans) and disposable income in a given period.*

In fact, this share cannot be subject to the risk of loss because it basically ensures the individual's livelihood. For example, if someone who has a twenty percent company capital share decides to request a loan, he can only mortgage a maximum of fifteen per cent of the share. Moreover, the remaining members must be aware of this operation although it does not necessarily require their approval unless previously stipulated through company policy.

The end of savings interest rates

Another rule that the Ergonocracy Economic Model advocates is that there will no longer exist any savings interest rates. This refers to the interest amount depositors receive when they place their savings at the disposal of the banks (via deposits). This is for the following reasons:

- Firstly, because banks will no longer have the need to obtain their financing this way as all money to be used. In the financial system will come from the Global Community; in fact, they will only act as intermediaries, as referred.
- Secondly, it should be taken into account that savings interest rates are a non-productive form of income. In fact, the money that a depositor places in a financial institution is wealth that is unmoved, although a fraction of this money does enter the economy indirectly.
- Thirdly, because this economic model aims to stimulate real investments in the economy, particularly in Company managed nominal titles model (C.M.N.T.M.) - described in the previous chapter.

Loan interest rates will continue to exist because of the constant need for loans. Thus, this mechanism is essential in order to allow loans to provide attractive business opportunities to both parties - borrower and lender. It also has a deterrent role because it imposes some discipline on the borrower. However, as the loan will be issued by the Global Community, the immoral aspect is somewhat minimised.

The argument that investors will withdraw their money from the economic circuit if there were no savings interest rates, is completely false. Let's not forget that money should only exist in its electronic digital form, which requires that money always be supported in a financial platform electronic database.

However, there is the risk that money may leave the country and be applied in other financial institutions where it could accrue more interest. For this and other reasons, it is important to restate that Economic Ergonocracy concepts will work much better if they are applied on a global level.

One may wonder how banks will ensure their viability and sustainability, when the money they lend no longer belongs to them, as they are only intermediaries. However, the answer is simple: according to this model, banks will have the advantage of not having to invest so much in order to do business, and they will still continue to generate revenue as a result of managing their customers' accounts:

- Regarding savings accounts customers - there will no longer be any savings interest rates. The same fate will be met by stock markets. This means that the only way for investors to earn interest (and generate profit) is to invest in C.M.N.T.M. titles; banks can act as intermediaries charging a small fee for these deals, advising their customers to bet on certain company

titles; this small fee should be usually paid by the company (issuer), however it may be paid by the investor, as a small percentage of the profit gained.

- Concerning customers applying for loans, it should not be forgotten that banks also charge certain fees and commissions for the service of issuing loans.
- In addition, banks will still provide other types of services that enable them to earn additional income, such as commissions from exchanging currency, financial advisory services, bank vault security, etc.
- For business customers, banks will keep providing specific support services, such as treasury management, bank guarantees, feasibility studies, etc.
- The Ergonocracy Economic Model encourages banks to establish partnerships with venture capital companies and even to take on this line of business themselves.

Concerning the monitoring of banking and financial institutions, it is important to emphasise that the same general principles regarding transparency be applied, as is the case with all Concessionary Companies. In fact, banks will have to report all information online, except for sensitive customer data, for obvious reasons of privacy. They are also subject to the same limit scale on shares as are other companies.

Additionally, banks will be monitored by the three Controlling Entities.

In addition to these general mechanisms, this sector should be subject to rigorous control by a specific Sub-Concessionary entity managed by the Public Sector's "6) Economy support" Concessionary Company. This entity, given this sector's particular nature, shall make an appropriate technical analysis

to ensure that all available security mechanisms are implemented. Considering that money only exists in its digital form, it is obvious that there must be strong security measures to assure that money is not falsely "manufactured"⁸⁴.

Financial services are also available in the Community Web Portal

As money will only exist in its digital form, there is no longer the need to use the payment forms that oblige customers to physically visit banks, as is the case today and in the past. Thus, citizens can easily carry out the most basic financial transactions and manage their money directly via the Community Web Portal or the bank's website.

The main reason why the Community Web Portal provides access to banking services is due not only to the fact that the Global Community is the issuer of all the money in circulation, but also because the community's democratic duty is to provide basic banking services to every citizen.

Among these basic services are: money transfers, payment for services and products, setting up payment instalments for orders, inquiries, and financial transactions. This way, the existing financial system will not be completely dependent on banks while assuring that no citizen is excluded from this system.

Also, banks will be under some pressure from competition, which means they will be less likely to charge their customers for providing these basic services, as they should be afraid that their clients may opt to do their banking through the

⁸⁴ *There are already a few technological mechanisms that can be implemented, for example, digital certificates and advanced encryption systems.*

Community Web Portal.

Thus, banks will probably specialise in more complex and added value financial services, whereas the Community Web Portal will simply provide the more basic home banking services.

The role of venture capital companies

Venture capital companies play a very important role in the Ergonocracy Economic Model acting as catalysts in unlocking “start-up” businesses in the initial phase.

The venture capital company's business can be assured by the company's bank or it can do business as an independent financial entity.

Its main function is to gather the initial amount that the investment requires, following a technical feasibility analysis.

There are mainly two types of operations:

- The venture capital company finances the whole company, that is, all the members as a whole.
- The venture capital company finances only one member, helping him to acquire the necessary amount to pay for his share, whether the venture is to create a project from scratch or whether it is to acquire an existing share.

So, the venture capital firm may become a co-owner. Typically, it can own half of the share it helped someone to acquire. In other words, a share can be simultaneously owned by a member and by a Venture Capital Company, and therefore both are entitled to receiving dividend payments. The contract will define the duration of the period during which they are

partners. Each case is different and always negotiable, as entrepreneurs usually consult several venture capital firms before they reach a decision.

In case the buyer's share is only five percent, the rights of these venture capital firms will be lawfully limited. As discussed above, this five percent share represents an individual's basic right, as it is the individual's sole source of income and it corresponds to the minimum value share that anyone can hold.

Therefore, in these cases, the venture capital company will not be allowed to become a co-owner of this share. So, in order to create the right conditions for financing, the Global Community will have to intervene and act as a guarantor, through a finance fund created for such a purpose. It must promise to return the venture capital firm its money in case of any serious problem with the partner or with the company's business. Each citizen will only have one opportunity during his or her lifetime to get this kind of guarantee. In case of failure, the citizen will be indebted to the Global Community. This process will be further explained in the following chapter. In short, the idea is the following: venture capital companies invest in someone or in a company whose business is believed to have enough potential to grow. These companies' expected growth should increase their value as well as that of each partner's dividends. Thus, it leads to profitability on the investment.

The day-to-day decision-making process and the strategic solutions are always the responsibility of the partner. The venture capital firm will receive its share of the partner's profits while it is co-owner of the title. Most of these earnings,

about eighty-five percent, will be applied to reduce the debt⁸⁵. The remaining fifteen per cent will correspond to the venture capital firm's risk premium. At the end of the stipulated contract period, three situations may occur:

- The amount received by the venture capital company exceeded the value of the debt. In this case, the sponsored partner has the right to cancel the contract and become the sole proprietor of share title.
- The amount received by the venture capital firm did not cover the total debt. In this case, the partner has several options:
 - o The partner may choose to renew the contract with the venture capital firm, setting similar conditions and new time frames, taking into account the amount of debt.
 - o The partner may choose to pay off the debt if able to do so.
 - o The partner may try to convince the other shareholders to have the company pay off the debt to the venture capital firm. In this case, the company should pay off the debt and the partner would then be indebted to the company.
 - o If the partner's share is greater than ten per cent, he or she can request that the venture capital firm sell a part of the share⁸⁶, as a way to pay off the debt. In this case, the venture capital firm will become an investor partner, being able to name its own

⁸⁵ *Capital plus operation financial costs.*

⁸⁶ *At the end of the process the partner will not be allowed to own less than five per cent share.*

delegate.

In order to for the Ergonocracy Economic Model to work in a dynamic and economically viable manner, venture capital companies will need to have a stake in more than a third of all new companies. Incentives will be needed so that the finance industry, and particularly banks, will find it attractive to invest in this sector.

5.8 Social and political implications of the Ergonocracy Economic Model

Ergonocracy models make it easier for young people to enter the job market

It is important to point out that the “job market” tends to minimise the added value of the work resulting from the initial contribution of a young and inexperienced worker. The Ergonocracy Economic Model proposes the creation of a few mechanisms aimed at regulating this process in order to provide job opportunities for young professionals.

In fact, it should be better if each youngster began his career by joining a productive unit, i.e. a company. One of the ways to assure this is to implement a measure declaring that at the end of each technical or university course there should be a practical component, preferably an Internship. The final course grade or mark should be based on various components, one of which should be a result of one's performance as an intern at a company. The company should do business in an economic sector that is related to the student's major course of study. The duration of the internship could vary between one and two years, depending on the course of study and a student's objectives.

To achieve this, there should be partnerships between all kinds of companies and educational institutions.

After finishing their internships and earning their degrees, youngsters who are not offered a job (partnership proposal) at the company where they worked as interns, should actively seek for new employment opportunities. The most common job opportunities may be the following:

- These youngsters are likely to end up working at service companies, typically those that are partly held by larger companies that wish to rapidly expand their business.
- Another alternative for these young people may be general services firms or outsourcing⁸⁷ companies, whose core business consists of providing temporary professionals and filling a gap in the market. Thus, these youngsters should be filling in vacancies for posts with less appealing job functions.
- Venture capital companies should also represent an opportunity, as stated in the previous chapter.
- And finally, the candidate would have a last resort: apply for public funds that were made available by the
- Global Community for such a purpose, as will be explained in the following chapter.

⁸⁷ *Outsourcing means the action that exists on the part of an organisation to obtain workforce outside the company, i.e. labour party. It is strongly linked to the idea of services, i.e. corresponds to transfer activities known as activities through, and never activities purposes (final product) to a company outsourced. The hiring of peripheral services aimed at reducing internal costs by leveraging the "know-how" and specialisation of outside companies which, in certain specific areas, is shown as a more advantageous option, allowing greater return on investment (ROI).*

In most cases, it is likely that these youngsters' initial share should be the smallest possible, or about five percent. After becoming a member of the company, each young professional will gradually gain experience and become able to take advantage of new opportunities, thus guiding his career in the best direction possible. These opportunities will vary depending on the individual's academic background and prowess, professional performance, and job skills. Also, this will depend on their negotiating power or the money they have to invest.

In terms of career advancement, there are always several options, such as being able to negotiate a share increase. Outside the company, there are also other opportunities, such as starting a new business project from scratch.

As already mentioned above, some young, successful professionals can hold a share in a company without having to spend any of their own money. It is all a question of negotiating power as well as supply and demand. Indeed, if a young professional has an impressive résumé, there will be a great demand for his or her services. In such cases, there should be contractual clauses making it impossible for these young members to sell their shares during a certain period of time, which will be subject to negotiation.

Support for the unemployed

For all long-term unemployed people, including all young people not able to join the job market after graduation, the only solution is through the intervention of the Global Community by creating a public finance fund. The fund's aim is to overcome this problem, guaranteeing job placement for these professionals according to their profile.

As mentioned above, the purpose of such a fund is to allow venture capital firms to create part-ownerships with skilled professionals. These venture capital firms have the guarantee that the Global Community fund will return the initial investment if any serious problem occurs with the sponsored partner or with the company's business.

It is important to emphasise, once again, that each citizen will only have one opportunity during his or her lifetime to receive this kind of guarantee, and in case of failure, will be indebted to the Global Community.

These funds will help venture capital firms to create partnerships via one of the following methods:

- A method to be applied to existing companies - the Fund will partially support venture capital firms, helping to make it more financially attractive to co-own a certain share of a company with unemployed people.
- A method to be applied in the creation of new businesses - in this case, the Fund will partially support venture capital firms to raise the required capital for the start-up. Also, these venture capital firms will support the entrepreneurs in all initial tasks, bureaucratic activities, market studies, global strategy and choose the means of production and consultancy support. In an early stage, these inexperienced entrepreneurs will be given a kind of "on the job" training.

This last method has the advantage of giving start-ups a competitive edge, as these companies will mix members with distinct profiles and backgrounds, some of whom are younger and more committed, and others who are more experienced. Also, these venture capital firms will be involved in selecting employees with specific skills for the various functions within

the company.

All these incentives will only be available in economic sectors where there is enough space in the market to allow the entry of new players. Market studies will be done and made public by one of the Public Function's "Economy" Sub-Concessionary Company.

Inequality and social classes

It is not Ergonocracy's aim to eliminate all economic inequality among citizens, although it is desirable for such a phenomenon to be substantially mitigated. Societies characterised by a high level of inequality, are subject to an additional set of problems and risks for all people involved, as most indicators seem to demonstrate.

On the other hand, a certain degree of inequality, as long as it is moderate, has some benefits, as this may encourage less privileged people to work harder to achieve their goals. Of course, this makes sense in societies where there are real opportunities available.

Even if we wanted to completely eradicate inequality, we must recognise that it will be an impossible goal to achieve. Human beings are all different from one another. This implies that they have different goals and ambitions. Their experiences and moods also differ, especially regarding tastes, intelligence, beliefs, and the ability to foresee and plan for the future.

What is critical to understand, is what are the origins of inequality? An effort should be made to eliminate those that are unjust and sterile, and they can be divided into three major categories:

- Unjust inequalities that must be tackled and fought:

- o Unequal opportunity - this should not occur because everyone should be allowed to enter the job market, and everyone should be granted the right to obtain training in order to advance in his or her career.
- o Discrimination based on race, creed, nationality or gender - this issue is broadly consensual and Ergonocracy models have nothing to add.
- o Wealth that results from illegal activities - in this context, Ergonocracy models provide quite effective means to combat this, explicitly, all resources that are explained in the Judicial and Security Models. Furthermore, if money only exists in its digital form, it not only hinders theft, but also allows investigators to, retrospectively, trace money and transactions.
- o Wealth as a result of corruption - Ergonocracy models aim to cut most corruption opportunities, given the characteristics of the proposed political model in terms of dilution of power and no need for officials with great power. Also, supervision and control will be exercised by Controlling entities, which are highly motivated “watchdog” companies watching out for all types of abuse as this is the only way for them to generate income.
- Causes of unjust inequality that should not be tackled:
 - o Inheritance - it should not exist in an ideal world, so that all individuals could start their lives at the same level⁸⁸. However, these are constraints that result

⁸⁸ *It is also obvious that in an ideal world, if possible, all individuals should have the opportunity to be born with high IQs and without any kind of physical handicap.*

from our social way of life characterised by a family environment, constituting an ancestral tradition and so it is something that must not be changed.

- o Games of chance - these games can allow someone to obtain great wealth in a rare moment of extreme luck, e.g. lotteries and gambling; the random nature of this activity, the high values involved and the risk that many gamblers take, such as acquiring an addiction, may shock some people and contribute to a generally negative opinion from society. However, these types of activities should continue to exist because they satisfy each individual's right to dream, something that everyone should be entitled to; besides, luck is part of life.
- Acceptable causes of inequality:
 - o These are all those that are due to the effort, dedication and talent that each professional has in their job performance. This inequality is morally acceptable provided that all those who aspire to become successful and productive professionals are given a fair opportunity. This explains the Global Community's commitment to facilitate access to the job market for all unemployed people.

Thus, with Ergonocracy, the least fortunate people will not feel as desperate as they do in traditional capitalist economies, because the Ergonocracy model is designed to continuously provide new opportunities to all citizens.

The maximum limit that each individual should be able to achieve, is a direct result of the effort and sacrifice that he or she is willing to make, through fair competition.

Antagonism among social classes

Another problem that will cease to exist is antagonism among social classes. Effectively, with Ergonocracy, all citizens belong to the same social class, since everyone will work for a company they partially own. Of course, some individuals will be much wealthier than others.

What is most shocking about social class antagonism is the social stigma of immobility, in which each individual is born and dies in the same social class, and there is almost nothing he or she can do to change this.

Regarding traditional capitalist models, we can hardly deny Karl Marx's⁸⁹ observation on permanent class struggle. Anyone can easily see that employers and employees have different interests and objectives, although they may sometimes agree on some basic issues, such as the company's survival.

In fact, it is clear that, for the owner, the company's survival is critical because it is his own property that is at stake. It could mean financial ruin, although, in some cases bankruptcy may not cause much harm. Perhaps, the business is only one among many other flourishing companies owned by the same person. On the other hand, for employees, the consequences of the company's failure are only indirect, but they can also be very serious. This is especially true if there are no public unemployment support systems, or if the employee's expectations of getting a similar job are very low. This is especially serious when it is considered that wages are usually

⁸⁹*Karl Heinrich Marx (Tréveris, May 5, 1818 - London, March 14, 1883) was a German intellectual and revolutionary, founder of the modern communist doctrine, who served as an economist, philosopher, historian, journalist and political theorist.*

the sole source of income for most workers worldwide.

Each case is different, but it cannot be denied that the objectives of employers differ from those of workers. Generally, an employee simply wishes to keep his job and earn a good income and have good working conditions, whereas the employer wants the company to succeed in order to make a profit.

And so, a basic antagonism may arise. The employee's objective to increase income implies a direct cost increase, and consequent decrease in profit for the company. Thus, both employee and employer may enter on a collision course beginning a never-ending struggle, which is usually won by the strongest one.

The Ergonocracy model has all members of the company rowing in the same direction in order to avoid such non-productive and ineffective conflicts.

5.9 Trends, risk and performance

Development of e-commerce and the extinction of intermediaries

The world is heading towards an increasingly Internet dependent society where electronic commerce is gaining a greater market share each year.

One of the most significant trends in this new reality is the gradual elimination of intermediaries, especially those that do not contribute any added value to the transaction chain.

Soon, there may be a return to where it all began and start to practice something like "from the producer directly to the consumer", but this time in a more sophisticated manner,

without distances and barriers. Current information technology can facilitate the implementation of such systems, but the current logistics and distribution processes will have to be redesigned⁹⁰. This type of commerce has the advantage of lowering prices for the consumer, and providing greater profit margins to the producer.

This trend can be seen and used to legitimatise Ergonocracy, since this electronic process provides more options for the final consumer, by creating more open competition, forcing companies to adapt and take on more flexible structures, especially those that are lighter and smaller, i.e. Ergonocracy type companies.

Company customisation offer

It is an era where, for any company, knowledge about its customer base is the most critical concern. The most efficient and successful companies know the preferences and characteristics of their customers in detail, especially their more important clients. Consequently, it makes sense that the creation and formatting of each product or service should be adjusted according to customer preferences. This implies that the production system will have to be consequently adapted and prepared.

This customisation can be total or partial:

- Partial customisation means product bundling⁹¹ of such

⁹⁰ In a later chapter, a method will be proposed that may revolutionise the world of logistics and Internet commerce.

⁹¹ Product bundling is a marketing strategy that involves offering several products for sale as one combined product. This strategy is very common in the software business (for example: bundle a word processor, a spreadsheet, and a database into a single office suite), in the cable television industry (for example, basic cable in the

products and/or services, allowing a sufficient number of bundles in order to meet the requirements of each of the market types of sub-groups identified (target groups).

- Total customisation means the product will be tailor-made to the customer's exact preferences. However, this will be difficult to implement in most sectors.

In effect, a worldwide tendency arises where common basic low added value products are becoming less and less expensive. Some call them "commodities", referring to industrial production assembly lines, a 19th and 20th century heritage.

On the other hand, the same trend is occurring with high added value personalised goods, made according to the preferences and tastes of each customer. This is a market niche with tremendous growth potential, allowing the companies that bet on this area to maintain or even increase their overall gross profit margin.

These tendencies are perfectly in accordance with the above-mentioned Principle of Human Performance⁹².

And so, the production system will have to be gradually adapted and take on some of the following probable modifications:

- Workers will no longer be mere factory workers performing repetitive tasks, as they will likely become skilled artisans with some autonomy, really understand

United States generally offers many channels at one price), and in the fast food industry in which multiple items are combined into a complete meal. A bundle of products is sometimes referred to as a package deal, a compilation or an anthology.

⁹²See Chapter Four - sub-chapter "Principles".

their craft, and adapt products to customers' exact preferences. They will receive the necessary job training.

- With the tailor-made Craftsman-Artist concept, our business focus switches from the basic “commodity”⁹³ in which produced goods are easily compared with all other competitors' products in a type of market where price is all that matters.
- In order to keep the same production levels, there will be a need for a greater number of workers, which goes against the simultaneous general mechanisation trend. Thus, this will help to ease and prevent unemployment, compensating for the losses of jobs in mere repetitive production lines. In other words, it increases the number of “good” jobs and reduces that of "bad" jobs.
- The final product shall have a significantly higher value and thus the possibilities for the business to be profitable will increase in a sustainable way.

Change of attitude

According to the Ergonocracy Economic Model, all workers will become company owners - members or partners - and being an entrepreneur requires one to have extremely sharp professional attitude and a suitable predisposition for change in order to overcome fear and keep an open mind regarding a new idea, even if this idea seems absurd at first.

⁹³ *Used as a reference to rough (raw) or with small degree of industrialisation, quality nearly uniform, produced in large quantities and by different producers. These raw materials, crops (soft commodity) or minerals (hard commodity), can be stored for a specified period of time without significant loss of quality.*

Indeed, they will have to face the challenge of achieving the company objectives of increasing productivity and efficiency, while simultaneously carrying out their specific job duties.

This will correspond to a new way to use our basic human instinct, i.e. our natural tendency to apply intelligence to solve a given problem or satisfy a need. The difficulty lies in having to reinvent new concepts, and go beyond scientific, social, and legal limits. These professionals must learn to address the capability of changing paradigms and know how to perceive and respect their clients' real needs.

Global Community intervention in private initiative

As a general rule, Ergonocracy Models do not allow the Global Community to intervene in the private initiative framework. However, there are some justifiable exceptions, such as when a company in a given market sector systematically engages in unethical practices, by creating cartels or oligopolies, for example. In such cases, severe penalties will be applied.

In other cases, the Global Community could also intervene in situations where the existing companies are comfortable with the "status quo" and do not make any efforts in terms of research and development of new processes and new solutions. This aspect is of particular importance in sectors that are vital to human beings, such as the health or energy sector.

The best example of this is the pharmaceutical sector, more precisely, the pharmaceutical laboratories engaged in research to find cures or remedies for chronic diseases. Many pharmaceutical companies have already launched a wide range of remedies. However, the medication only controls the development of serious diseases. Usually, the treatment is long-

term, expensive and intensive. For such companies, in purely economic terms, this is an excellent business that they do not wish to change. In fact, by not focusing on complete healing, but essentially concentrating on controlling the symptoms and the progression of the disease, these pharmaceutical companies obtain from each patient a precious and regular financial income flow, secured over a large period of time, in a sector where margins are very high.

In this framework, the possible emergence of a drug that may quickly cure a serious disease could be seen as harmful to business and no well-established pharmaceutical company will spend its resources developing a product of this nature. Above all, pharmaceutical companies are like all companies, with a primary duty to their shareholders, and subject to rational economic strategies. It is therefore logical to conclude that only a new competitor company, without any existing interests, should have the incentive to discover and develop cures.

Given the above-mentioned context, the recommended action for the Global Community, after identifying the situation, should be to get citizens to vote, to decide on the creation of necessary incentives and programmes that should contribute to the creation of these types of companies. There should also be the possibility to decide to act as a sponsor in this market. In the case of a favourable outcome, an RFP tender could be launched in order to choose the best research company.

After the RFP is held, a new company is created. The majority shareholder will be the Sub-Concessionary Company of the Sub-Civil Service Department, “Economic activity Support”. All the other partners should be the most competent researchers chosen via RFP tender. None of them have to invest any money in the creation of the company, as this is the prize

involved in the RFP, in order to try to bring together the best professionals.

It must be guaranteed that the researchers have the necessary technical skills and that none of them have any links to other pharmaceutical companies.

The above is one of the best examples to illustrate this issue, although many other sectors can serve as an example, such as the renewable energies sector. In the past, there have been unexplained and sudden withdrawals of investment funds for promising projects. Till the present day, the real causes are unknown and people can imagine a multitude of scenarios.

Nonetheless, any Global Community intervention in the private business sector should always be endorsed by a qualified majority citizen vote.

Market analysis services

Not everything should be subject to market constraints, as one of the Economy Civil Service Sub-Concessionary Company's⁹⁴ duties is to provide as much information as possible on all economic sectors, publishing detailed information on every sector. They will also identify sectors that still have room for new competitors in order to discourage new companies from doing business in overcrowded sectors.

The information should include: the number of companies in each sector, the total invoice value issued by each company and each sector, their profits, their growth rates, their turnover, their average margin rates, the percentage of imported goods, the number of workers, and all other indicators considered

⁹⁴ *This Sub-Concessionary company will be the one holding the Sub-function Economic activity Support.*

relevant.

Thus, when a new competitor company decides to enter an overcrowded market, it will not be prevented from doing so, but will be subject to higher taxes because such competition can jeopardise every company's economic survival, not only that of the newcomer but that of all the already existing companies.

The opposite is also true, i.e. a new competitor who decides to enter a less dense sector will benefit from tax incentives, in terms of receiving partial investment capital.

This measure can also be applied to the education sector, i.e. every year a study should be published informing people of the technical and non-technical courses that have greater placement opportunities in the medium/long term. Students wishing to apply to these courses should be able to take advantage of some incentives and financial support.

The risks of corporations

Corporations constitute a serious risk for most of the world, not only because their activities can be highly detrimental to the environment⁹⁵, but also essentially because they represent a serious political and geopolitical risk, as these companies try to influence decision-making in their interest.

There is also a tendency for them to join together in mega-consortia seeking to control international leaders through the exchange of favours and acts of corruption. There are even some cases where corporations sponsor and support the election campaigns of their preferred candidates, who are

⁹⁵ *Corporations' activities have contributed to the extinction of natural resources in many areas.*

directly or indirectly on their payroll!

Top management officials at corporations have long realised that if the company reaches a certain size, it will be protected from any regional conflicts. If there are any problems in a certain country, the company can always relocate to another country where they already hold significant influence.

In addition, a company's dominance in various areas of business allows it to maintain or even increase its overall customer base. If a certain market sector begins to decline, there will always be another sector on the rise, and this can offset the company's losses.

Corporations normally have the most diverse purposes, but they usually have something in common - a thirst for cheap labour. They often target natural resources or new markets.

And so, they use governments as if they were playing a game. They frequently decide to relocate in a continuous search for better conditions in order to lower production costs. In many cases, these companies take advantage of public incentives and benefits previously granted to stimulate investment from abroad. However, they don't hesitate to relocate if there is any financial gain elsewhere, and they don't mind causing serious social problems in the places they leave behind.

This is aggravated by what is one of the major flaws of representative democracy: the "representative", once elected, has too much power. This concentration of power eases the job of the corrupt corporation, which will only have to convince one man in order to implement its plans.

Trying to bribe someone in an Ergonocracy model regime will be much harder because there is no "representative"

powerful enough to accept a bribe, since power is shared by all citizens and will not belong to anyone in particular. Thus, the act of bribing a great number of decision-makers will not be economically viable, and the risk involved will be too great.

Some sceptics suspect that the adverse effects of corporations can reach a more advanced level, arguing that corporations have an interest in maintaining international disagreement and an unstable environment, for several reasons:

- They are interested in the ownership of the natural resources of the countries where they do business. If there is a climate of instability, potential competitors will probably stay away.
- The more isolated a country is, the more dependent it will be on the corporation, as the country will need to maintain some trade and access to the outside world. For example, it is well-known that some companies make very good deals negotiating in very advantageous terms with countries that are subject to economic sanctions from the United Nations.
- There are those who believe that some corporations have an interest in keeping some target countries at the poverty level, with just the minimum conditions necessary to ensure the survival of its inhabitants. This is because they want to maintain the prevailing “status quo”. If the standard of living of the population rose above this basic level and if these people became a little wealthier and educated, they would be able to start their own companies. This implies that corporations may lose business opportunities and have worse competitive conditions.

- Also, there is the weapons industry. For this sector's companies there is the obvious interest in creating ideal conditions so that they can have regular customers.
- In addition to the above, there is a bleak but real perception that if two-thirds of mankind consumed in the same way as those in developed countries, it would mean that the earth's resources could be quickly depleted and the planet's environment will not be able to resist the pressure.

For all these reasons, Ergonocracy regards these corporations with a tolerant but suspicious look, accepting them as a necessary evil, which must be controlled and penalised if necessary. They represent all the worst that exists in the capitalist system, and they are directly responsible for some of the worst economic crises that regularly affect most countries.

It is very important to emphasise that corporations only care about making profit for their shareholders and only the interests of the shareholders are considered. They ignore those of all other stakeholders, such as employees, clients, providers, etc. This leads to a type of management that focuses only on short-term results, forgetting about the long-term strategies and the inherent responsibilities.

Considering that a corporation requires many people to carry out the functions of its business, the logical implication of applying the Economic Ergonocracy model's microeconomics guidelines should be considered. In fact, with Ergonocracy, as corporations are subject to the same shares and statute guidelines as other companies, they could be divided into a huge set of semi-independent companies, and have to expand in an indirect and spanning manner. These new

companies will typically be held by the main corporation, corresponding to the maximum allowed share of about thirty-five or forty percent. The corporation will then nominate its own delegate to manage this share and take a prominent role in the owned company. But the best news is that this delegate will have to gather a group of executive partners to carry out the company's tactical and operational activities. These people may be the former workers of that company or could also be other people recruited to start their activities within the company.

Thus, the fact that corporations require a large labour force can be positive, i.e. the creation of many small businesses and the opportunity for many people to become entrepreneurs. Thus, entrepreneurial power will be generally diluted and the precious know-how of the corporation will have to be shared. Of course, corporations will likely attempt to ensure the entry of members that they believe to be their allies in order to try to achieve fifty-one per cent majorities in each company. However, the corporation delegate will always be dependent on third parties to be able to do this, i.e. they must share the power in order to establish a consensus. In addition, transparency requirements towards all shareholders limit any potential wrongdoing by the delegate.

Suggested amendments on international trade

There are around five hundred million people in Asia's rural areas waiting for the opportunity to go to work in urban area industries, willing to accept in squalid conditions, without any workers' rights.

This allows these countries to massively produce exports at an artificially and competitively low price, without the costs

that would exist if they operated in a civilized manner.

While these five hundred million people are waiting, there is no doubt that the future reserves much of the same: a constant flood of very cheap products, with very low average quality, harming most of the industrial sectors in developed countries.

This is due to historic reasons. The era that was started by Ronald Reagan and Margaret Thatcher, aiming to deregulate Customs, was extremely beneficial to globalisation, helping to foster a healthy spirit of competitiveness among countries. However, at that time, very few people anticipated what would happen. Now, we are faced with only one possible solution, which we realise is a bad proposal; divide the world into two large economic associations:

- Group A Association - Those countries that guarantee a minimum set of workers' rights.
- Group B Association - Those countries that do not guarantee a minimum set of workers' rights.

According to this proposal, trade between countries belonging to different associations, will be subject to extraordinarily high taxes; Of course, trade between countries of the same economic associations will not be taxed, or will remain as it is today.

The objective of this proposal is to encourage Group B countries to become Group A countries, which implies that they will have to review their labour laws so that their citizens could benefit from basic human labour rights.

If all countries made an effort to become Group A countries, there should be no need for this model to continue to exist. This way, all countries could compete on equal footing and benefit human dignity in general. Also, the enormous pressure today

on Western businesses could be reduced, bringing an end to some desperate relocation strategies that have caused an increasing trend in flexibility and reduction of labour rights.

The decision over a country's classification should be left to an international entity, perhaps within the jurisdiction of the United Nations or OECD. This entity should establish very clear rules defining the acceptable minimum workers' rights. It should also be responsible for auditing and controlling the real applicability of such rulings.

There are many other problems with these countries among which the following can be stated: lack of reciprocity in terms of access to public tenders, under protection of author's copyrights, abundant contraband, dumping practices, exportation subsidies, and constant undervaluing their own currency.

5.10 The advantages of this economic model

Ergonocracy is an alternative to existing models, such as capitalism and communism. And so, first it is important to understand why these other systems tend to fail and how we are able to improve them.

Why do conventional capitalist systems fail?

Capitalist systems are vulnerable to its agents' global expectations, being exposed to all kinds of rumours. Besides, capitalist systems tend to concentrate capital among the wealthy class. This is why we usually see that in most economic cycles the rich tend to get richer, and the poor tend to get poorer, especially during crisis periods when the fruits of labour tend to be minimised.

In times of plenty, the capitalist system can maintain and provide a certain harmony resulting from a commitment of interests between these different classes, employers and employees. But the seeds of destruction, resulting from the above-mentioned antagonism, are inherent to the capitalism system, as is reflected in its tendency to be imbalanced, in its cyclical crises, and social instability, such as strikes, etc.

As previously mentioned, the only way to avoid this problem is to ensure that there is only one single class, which will simultaneously possess both means of production, labour and capital. This is exactly what the Ergonocracy Economic model proposes, i.e., all company members are placed in the same boat and on the same level plane, although with distinct degrees of wealth and decision-making power.

It is hoped that all the Global Community's citizens and companies will row in the same direction, in a mutual spirit of solidarity. Citizens with a dynamic entrepreneurship profile will have the role of leading the others, as long as everyone is willing to do their part in order to collect their fair share of the earnings.

The capitalist model suffers from serious periodic crises because it does not have in its core any natural mechanisms designed to end these crisis situations. It works by way of temporary arrangements, contracting or expanding investment, and always depends on the defined interest rate, and is subject to supply and demand. And so, the capitalist model is rarely governed by purely objective and rational factors. To further complicate matters, there are all the stock market fluctuations, which act like a mix between casino gamblers and a group of gossip-mongers.

The worst thing is that in a crisis both sides of the equation -

supply and demand - are reduced, which balances out the equation, but there are high social costs. When the supply decreases, it also means that all production indexed factors - among them labour costs - are accordingly reduced, leading to unemployment and company lay-offs.

There is no mechanism or magic solution to stop this undesirable balance because supply only goes up after making sure demand has risen in a sustainable and guaranteed manner. On the contrary, capitalism crisis tend to be spiralling upward crisis. In fact, Demand⁹⁶ will only rise if there is an increase in confidence in the global economy and if there is liquidity in the market. And liquidity depends essentially on the rise in supply. And so, which will happen first? It is complicated, because each side is expecting the other to start moving.

In effect, none of the private company players wants to be the first to move forward, since the first player to take a risk, is usually the one that loses. As all people know, in times of crisis the most common messages are essentially about cost savings and in terms of labour, usually the first people to be affected are those workers in a more precarious situation.

These kinds of decisions should be technical decisions. This means that a technical set of economic procedures should be created and globally voted on and approved by citizens. These measures should consist of economic metrics upon which future decisions, to cut or to spend, will be based. They should also determine maximum levels of indebtedness.

In fact, another reason why capitalism fails, is due to the fact that economic cycles do not match political cycles.

⁹⁶*Demand is grossly equivalent to Internal or External Consumption plus Public and Private Company Investment.*

Everybody knows that the secret to good, stable economic performance is to spend during low cycles and save money during high cycles. This applies equally to companies and to families. The problem is that politicians in power rarely have the political strength or the courage to cut expenses in times of expansion. The risk is that this could be unpopular with voters and may cause them to lose the next election. Therefore, when countries enter a low cycle, they tend to spend a lot of money in an effort to stimulate the economy. Necessary cuts usually happen only when the public treasury is heavily indebted, which contributes to aggravating the existing economic crisis.

Why do communist planned economic systems fail?

In communist planned economy systems, failure is also unavoidable because these structures are incompatible with human nature. In effect, in these kinds of systems, it is hoped that everyone will act the spirit of solidarity, i.e. the individual's earnings are not proportionately indexed to their effort. It is expected that each individual will work as hard as possible. The individual will earn only what he or she really needs. But in practice, most people work much less than they are able to and they require much more than they need, so the tendency is to ask for the maximum salary possible.

In addition, these types of models also tend to fail because the only single promoter is the State. Except in rare and honourable exceptions, for most people it makes much more sense to work for themselves than for the community. Few people feel that the State's assets are their own concern.

In fact, human beings tend to always want more, and amazingly this has been a major contributing factor to innovation and growth. In fact, paradoxical as it may seem, it is

the constant promoters' search for new sources of profit, motivated by greed or social recognition, which historically has been the reason why projects move forward, that helps to develop the economy.

This idea runs parallel to that of another capitalist system cornerstone. It is the notion that the market is able to balance itself naturally, as mentioned in the "Principle of the Invisible Hand" introduced by Adam Smith⁹⁷. Of course, in a communist planned economy, this force is completely unused and restricted.

In addition, one of the main principles of a communist planned economy is the idea of a classless society and this is impossible to achieve in practice because the system requires the existence of a leading faction, to take out planning and control functions. It is clear that this class will inevitably end up positioning itself in a higher level, above the working class, and thus subvert the all-encompassing and respectable principle of equality⁹⁸.

Besides, USSR communist experience was nothing more than a clumsy and impatient dictatorship that foolishly spent the available resources trying to compete with the USA, in terms of weapons, international influence and space odyssey, when the most efficient strategy should be to try to improve their own people's quality of life, in order to state an example to the world, which many other nations would strive to copy.

⁹⁷ *Invisible hand is a term introduced by Adam Smith in "The Wealth of Nations" to describe how a market economy, despite the lack of a coordinator of communal interest, the interaction of individuals seem to result in a particular order, as the "invisible hand" that advocate.*

⁹⁸ *The only alternative to comply, according to certain egalitarian proposed models, should be to implement systems with rotating senior classes, which will only create instability and could give power over to ineligible or dangerous people.*

What is behind the success of the Ergonocracy Economic Model?

Instead of these aged models, the Ergonocracy Economic Model naturally presents a mechanism where there is an effective collective interest in making the most of the contribution of each individual without exploiting anyone, taking advantage of the strengths of the capitalist system and safekeeping the right to private initiative and the right to ownership of the means of production and capital (money).

From this perspective, profit will no longer be considered immoral, because profit (and premiums) will be the only source of income for almost everyone, since there will no longer be savings interest rates, income from rent payments or salaries, or earnings from stock market speculation.

In fact, making a profit will still be acceptable, and important, and desirable in every society, as it is the engine of the economy, as has been the case for the last two or three thousand years, in any capitalist system. However, with Ergonocracy, the success of a few will not be achieved at the expense of the unprotected citizens whose rights are violated.

Therefore, greed will be tolerated, as it is a part of our human nature and characteristics. It has a role in terms of promoting the creation and expansion of businesses. The problem is when there is both greed and extreme power in the equation. In this case, the consequences may be uncontrolled, and this is often the case with corporations. The Ergonocracy Economic Model attempts to restrict the power of corporations, which will have to be indirectly managed and encouraged to grow in a spanning manner.

The main advantages of the Ergonocracy Economic Model

In traditional capitalist-styled companies, employees feel that they have different objectives from those of their employers, even regarding the fate of the organisation they work for, and this is quite perverse and ineffective.

The Ergonocracy Economic Model aims to respond to all of these anxieties and its main advantages are:

- Increasing the efficiency of all market players.
- Encouraging and going along with the trend of Companies Customisation Offer and the tailor-made Craftsman-Artist, discouraging the concept of the worker-machine.
- Increasing the satisfaction and self-esteem of all people, in particular of those who were once only employees and became partners with increased motivation when assigned their share of responsibilities; furthermore, the company will benefit from other views and perspectives.
- Reducing the adverse effects of corruption and unethical practices; there is still extreme discomfort which manifests itself whenever an individual is faced with an internal conflict where it is forced to choose between what he knows is right and the other way, the one that'll give him the biggest advantages. That is the choice between the common good decision and the personal benefit's decision. With Ergonocracy models corruption situations will be very rare.
- Reducing the adverse effects of capitalist processes, glaring inequalities, human exploitation, massive

concentration of capital, corporate control, etc.

- Taking advantage of the best that there is in the current capitalist system, its flexibility, motivation and ability to venture, and to do this without undermining the freedom of private initiative, considered not only a basic right but vital to the economy itself.

Company trends in the Ergonocracy model

With Ergonocracy, companies will tend to:

- Cut all the “fat” and keep only productive jobs, and so there will be a trend towards increasing productivity; additionally, we will see a tendency to create a more mechanised production process to ensure that the basic tasks and routines are done by machines, because companies will not want to waste a worker doing a low added value task. This may contribute to “bad employment”.
- Focus on the company's core business and also on the strategic aspects of the business. That is, the company will continue doing what it does well and with products and services it is able to differentiate. On the other hand, it will increase the tendency to outsource services that are outside its core business.
- Subdivide into specialised departments (sub-companies) or project teams.
- Benefit from closer links between the strategic, tactical and operational departments of organisations, since information can flow more efficiently as a result of improved channels of communication. This way, companies will become more flexible and dynamic,

resulting in a quicker response time.

- Increase their level of competition in the market, as implied in the previous paragraph. This is because the departments whose purpose before was only to serve their unique internal clients will have the opportunity to serve other external clients. Thus, they may start focusing on the market as a whole, although their main focus will continue to be their very important internal clients.

The Ergonocracy model's contribution to increased productivity

The Ergonocracy Economic Model is based on the goal of increasing overall productivity due to several factors:

- Due to the Shares and Statute rules, members shall be remunerated according to the existing profits, to which their performance will directly affect, i.e. people will work for themselves and not for a boss; the Premiums will also have a huge influence on this issue.
- The member's advancement in the company depends on how positive their performance is seen by the others. There is a genuine interest among partners to advance in their careers, and people inherently wish to better themselves. This works as an automatic motivator under a natural meritocracy scheme.
- This model encourages mechanisation and extreme automation, arguing that basic tasks and routines should not be assigned to humans; if this mechanisation leads to unemployment, one possible way to adjust to this is by reducing the number of hours a person works.

- Another factor that can help to increase the added value of goods and to create jobs is the emphasis on tailor-made or customised goods, bringing back the concept of craftsman-artist, highlighting the work and dedication of the goods maker.
- With this model, there will be a tendency for serious competition within a company. This can be healthy (within limits), since it has the following advantages:
 - o Helps to strengthen team spirit.
 - o Leads to a more interesting and “playful” workplace.
 - o Increases motivation and dedication.

For all these reasons, the model places a strong emphasis on the professional development of working individuals in terms of their continued learning and training.

6. The Ergonocracy Judicial and Security Model

6.1 Characterisation

In this chapter we will analyse two models that are directly linked - the Judicial Model and the Security Model. These were created to provide citizens with increased security and to reorganise the way in which justice is applied, upgrading both its efficiency and effectiveness.

The main characteristics of the Judicial Model reside in the introduction of mechanisms to make justice work more quickly and efficiently; we will also present new strategies for the rehabilitation of convicted felons.

The Security Model aims to put forward new concepts and policies, with new ways to organise crime-fighting through strategies designed to enable on-the-spot arrests for criminals caught in the act. The idea is to institute powerful deterrents aimed at drastically reducing crime.

We will also analyse our Drug Problem Solution Model.

These models share in the spirit of Ergonocracy, which strives to adapt to human characteristics rather than expecting man to modify his nature. Furthermore, Ergonocracy claims that the concept of freedom should prevail above all else, although it recognises the need for laws, which should be simply and pragmatically framed and lead directly to problem-solving and conflict resolution.

6.2 Underlying principles

The principle of separation between civil and criminal courts

According to Ergonocracy vision, criminal courts and civil courts have a completely distinct function. Criminal courts are one of the internal pillars of security, whereas administrative courts mediate between citizens or between citizens and institutions. Because these entities are completely separate and share no synergy, it makes sense to manage them as distinct Public Functions.

The principle of the swiftness of justice

This principle advocates that the quality of justice will be severely compromised if the system works slowly, as most citizens will feel either that there is no justice or that it is ineffective. In other words, people will lose confidence in the justice system.

This is particularly grave in the case of a citizen who happens to be innocent. When a person is charged with a crime, most people conclude that he or she is guilty, which damages a person's reputation and affects his or her standing in the community. This stigma never completely disappears, even if the person is subsequently exonerated of any wrongdoing.

It is elementary common sense that justice will only be truly effective if it is expeditiously applied. Otherwise, one of its most fundamental objectives will be subverted, as it will no longer constitute a deterrent to crime. In addition, these delays affect the criminal investigation process. The longer this process takes, the more difficult it is for investigators to obtain the necessary evidence, especially in the area of ensuring the

reliability of how witnesses recall details of what they saw.

The principle of simplification of judicial processes (lawsuits)

Delayed justice is often aggravated by the fact that certain lawyers choose to strategically take advantage of statutory deadlines in order to delay decisions for as long as possible. The rules of the system must offer protection from this kind of behaviour.

The principle of separation of criminals

Criminals should receive a penalty in keeping with the crime committed. For this to take place, distinct types of crimes should be identified, linked to the motives behind these crimes. Each crime should involve different punishments and treatments aimed at ensuring that criminals come to understand and recognise the harm that they had caused.

The principle of deterring crime

Deterrence is not assured by retrospective logic based on the fear of getting caught after a prolonged investigation.

On the contrary, deterrence will be much more effective if a prospective criminal is afraid of being caught red-handed, causing him or her to think twice before committing a crime. This cannot be achieved by increasing police presence on the streets, as there would never be enough police to simultaneously protect all citizens everywhere. The only solution is the intensive use of video surveillance systems, supplemented by an immediate response police patrol, a system that will be explained in detail later on.

6.3 The distinction between good and evil is a socially constructed concept

There are several other notions that need to be internalised in order for us to have a clear image of what it means to be a human being, how we can better evolve and how we can improve social relationships.

One of these concepts is the distinction between good and evil and how this concept evolved throughout human history. We will endeavour to analyse this issue using a clear and completely rational approach.

To start with, the idea behind the distinction between good and evil is a mere illusion. Even though it is useful from a social point of view, it is not self-evident, nor does it follow natural rules.

In fact, if we observe nature at work in the jungle, the only law is that the strongest rules - the law of survival - in a deadly game between prey and predator. The concept of kindness only manifests itself during mating season or among members of the same family, between parent and offspring, for example, and lasts only as long as necessary for the raising of the offspring.

There are of course exceptions that can be observed in creatures living in social communities as they strive for a common, previously defined purpose.

As human beings are social animals, this concept has always played an important role in society. It has been instrumental in defining standards of conduct and social behaviours, it forms the basis for most world religions and it has always been crucial to the survival of our social structures.

Most religions promote the so-called common good. But

what is good? Some people may define it as a blend of peace, harmony and love, the concepts usually associated with this notion.

But what perspective are we using here?

If we look at this issue from a social perspective, it makes a lot of sense. The concept of good and evil is an intelligent means created by societies so that they can better organise and function. If we are accustomed to the idea of helping our neighbours and always behave in a kind and generous manner, the idea is that good will be widely propagated and, sooner or later, everyone will end up benefiting from this mind-set. In fact, it is easy to see how cooperation is a win-win situation⁹⁹ for all parties. This concept clearly worked well in small tribes such as the ones that existed in the past. People who chose not to participate were easily identified and ostracised by the others. Nowadays, given the fact that most people live in crowded communities, in both large and medium-sized cities, they tend to feel that good or bad conduct does not matter, nor does it result in any real change. For this reason, many people choose to live egocentric lives - following the principle of every man for himself. They select the path of least resistance and effort in the short run. Besides, they know that there will always be a significant group of people - called "free-riders"¹⁰⁰

⁹⁹ *A win-win game is a game which is designed in a way that all participants can profit from it in one way or another. In conflict resolution a win-win strategy is a conflict resolution process that aims to accommodate all disputants.*

¹⁰⁰ *In economics, collective bargaining, psychology, and political science, "free riders" are those who consume more than their fair share of a public resource, or shoulder less than a fair share of the costs of its production. Free riding is usually considered to be an economic "problem" only when it leads to the non-production or under-production of a public good or when it leads to the excessive use of a common property resource. The name "free rider" comes from a common textbook example: someone using public transportation without paying the fare. If too many people do*

in economics - who do their utmost to receive as much as they can while contributing the least, doing only what they are obliged to do, which, for them would preferably be nothing at all. This type of behaviour causes most people to avoid striving for the common good, as they do not wish to appear dim-witted. This suggests that societies should be constructed in such a way as to make these behaviours impossible, so that each member of society ought to know that good conduct is the most rational path to follow.

If we look at it from the universe's perspective, it makes absolutely no difference how humans behave, provided that change ends up occurring. Change occurs both in times of peace as well as in times of war, so the universe's purpose is achieved both through good and through evil. Thus, from the universe's point of view, this issue is merely a question of the speed and type of change. Change, therefore, is unconscious but essential. We do not know why the universe needs change, but it possibly has to do with the fact that it is constantly expanding in a given direction. The direction in which it is moving is a mystery that we have so far been unable to unravel.

If we look at it from the perspective of life in general, human behaviour also makes no difference whatsoever. Regardless of human activity, nature always reacts according to the law of compensation. Imagine an extreme case of human behaviour, for example, a total nuclear war in which all humanity perish. Most animals would also become extinct.

However, for all crawling creatures, this catastrophe could usher in a new paradise, one where most of their predators had disappeared. Much the same thing happened to our predecessor

this, the system will not have enough money to operate.

mammal species when the dinosaurs became extinct. In time, these crawling creatures could probably grow in size and will certainly proliferate and evolve, giving birth to a new evolutionary saga. In a few millions of years, a period of time equivalent to a grain of sand in the universe's scale, a new dominant race would come to rule the world, probably the heirs of cockroaches or mice. These successors could probably evolve to become smarter and give rise to a new type of civilization.

Therefore, there is no natural or basic rule that promotes the distinction between good and evil. In fact, we must realise that this distinction is a human invention. It results from the need for social organisation.

An important social concept

The fact that this concept is a human invention does not mean we should dismiss the principle altogether. On the contrary, it gives us added motivation to fight to change our societies, taking advantage of the fact that good and evil are powerful, deeply-rooted concepts that everyone has learned since childhood. When in doubt, the best way to distinguish between good and evil is to apply the ancient Golden Rule, described in a previous chapter.

This concept is sometimes incorrectly used by a few

However, this principle should not be imposed as a general rule. It should only be applied by each person of his or her own free will when it feels like the right thing to do. Although the principle of distinction between good and evil has played an extremely positive role, the truth is that there have also been a few negative implications, such as the imposition of standards

of behaviour.

These standards of behaviour, traditions, institutions and all social organisation are fictional, but have always been used by the powerful to help keep them in power and maintain the status quo. This is why so many individuals rebel against these imposed standards, because their intuition tells them that they are participating in something unseemly, unnatural and not in their best interests.

In other words, in any given era the concepts of good and evil change somewhat. They are to some extent subjective in nature, as they are issued from above according to tradition and example, depending on the existing framework, politics, culture, religion, etc.

Thus, the conclusion that should be drawn is that the concepts of good and evil most appropriate to each society, are those that foster collective well-being. This rarely happens because societies evolve at a faster pace than the pace of their beliefs and rules, and the problem is aggravated by the fact that leaders are often faced with an internal conflict when they are forced to choose between the solutions that they know are best for society (the common good), and the options that best serve their own interests.

Distinguishing is not enough, as people must act accordingly - our nature

It is not enough for everyone to know the difference between right and wrong. People must act accordingly. People often know that what they are doing is wrong, but they still persist in doing it. Their reasons are always personal, though one may try to understand these types of decisions on a social level.

Our species has certain traits in common with our ancestors, one of them being that people are continuously subjected to and assaulted by frustrations, unwanted obligations and annoying constraints. From childhood, these limitations have contributed to changing our character and have made us less tolerant and patient with others. The anger felt against others is a result of the sadness experienced when our own limitations and the difficulty involved in achieving our goals are realised.

This does not necessarily imply that human beings are bad. What happens is that people are endowed with an extremely adaptable nature that continually adjusts to the contingencies of our environment. As mentioned in a previous chapter, human beings will become much better or much worse, depending on what behaviours and characteristics help them best adjust to their environment. It is important, therefore, to create an environment that takes this concept into account. Typically, human beings tend to behave well towards members of their own tribe and aggressively toward individuals from other tribes, although this may not be always the case due to the complexity and individuality of our nature.

Why do people sometimes choose evil?

The major obstacle to greater harmony is our tendency to see other human beings as not belonging to our tribe. People (Humans), therefore, tend to consider them as enemies rather than friends. This is the great misfortune of our times and stems from the type of society one lives in along with our urban lifestyle that brings together crowds of people who have little in common, whose members hate each other or, in the best case scenario, who simply ignore one another. Furthermore, as all humans are mortal, our time to evolve is limited, causing us to view the environment that surrounds us

in a very superficial way. People tend not to put effort into their own personal evolution for the same reason - knowing that our efforts are futile, as our time on earth will quickly run out.

It is, therefore, not difficult to understand why the overwhelming majority of our co-citizens prefer to pursue short-term, ephemeral gratification, which acts as mere a sedative. In other words, one of the consequences of being mortal is precisely the fact that our degree of perfectionism tends to be lower. The same thing happens to our desire to constantly learn new things and to continuously understand new realities. Instead, people prefer to leave behind tangible markers of their momentary passage through life.

The system must be suited to individuals' characteristics

All of these concepts help us understand what Ergonocracy defends: that it should be the system that adapts to the individual and not the reverse, i.e. political, social, judicial and economic systems must be conceived that are in tune with the characteristics displayed by human beings. These systems should meet individual needs and respect their choices and idiosyncrasies.

Of course, these changes in the system will not be enough. Many things will have to change, at all levels, in order for people to overwhelmingly choose good over evil. For example, students will need to be taught basic techniques of self-control in an effort to gain control over their emotions and to be assertive in their relations with others. Furthermore, people should be motivated to try to achieve their goals and to have the courage to pursue their dreams.

6.4 The Ergonocracy Judicial Model

The Ergonocracy Judicial Model proposes the separation between criminal courts and civil courts along with the introduction of mechanisms designed to carry out justice in a speedier and more efficient manner. Also presented are new strategies for the punishment and treatment of convicted felons with a view to maximising successful rehabilitation.

How the Ergonocracy Judicial Model generically works

All cases will be tried in courts based on two criteria, which apply to both civil and criminal cases:

- According to the location where the alleged crime took place¹⁰¹, consistent with a jurisdiction map.
- According to the specialisation of judges, based on the type of case to be tried.

All courts should be equipped with a set of cameras to automatically record all trials and simultaneously transmit these images over the internet so that every citizen can follow the trial through the Community Web Portal if they so desire.

Live broadcasts of court hearings should provide an additional deterrent by showing that crimes were being actually punished and, therefore, that justice is effective.

To manage each court, the respective Sub-Concessionary Company will have a specific budget of costs and revenue. Revenue should arise from the Global Community and also

¹⁰¹ *In the event that it is not possible to determine the alleged crime scene, the address of the parties involved, starting with the victims, should be used as reference.*

from fines and court costs that each complainant will have to pay.

Certain measures aimed at encouraging productivity could be implemented. For example, for every three currency units that the court saved below budget, the Sub-Concessionary could earn an extra currency unit as a bonus.

These amounts could contribute to the Sub-Concessionary's own revenue and, logically, to its own profits, which should be divided monthly by all court members according to their shares.

Ergonocracy models aim to simplify and speed up all processes by setting a maximum time period for the beginning of the trial.

Form of concessions

In most representative democracies, the division of executive, legislative and judiciary powers is always of crucial importance. In some democracies, as in the US, judges are also voted in by citizens.

However, it is undeniable that the function of a judge is eminently technical and requires long, complex and expensive training. The process of evaluating a judge's capacities should therefore be carried out at an early stage in the aspiring individual's career, perhaps immediately after he has graduated from law school. This evaluation should be done through testing and practical simulations in order to assess such characteristics as: leadership attributes, ability to work under pressure, analytical skills and an understanding of human sociability.

Those who pass the aforementioned tests should be allowed

to participate as members in a Concessionary Company of Judges and could begin their activity in a court of law.

The process of allocating these teams of Concessionary Company judges to fill vacancies in each court will follow, more or less, the usual process defined for each Public Function. However, there should be one main difference, as this will be considered an extended concession and last twenty years rather than the usual five.

The activities of these companies will be subjected to tighter surveillance and a higher level of vigilance than that required for other types of Concessionary Companies. It could entail the establishing of an automatic, compulsory web registration process where errors committed by judges, citizens' complaints and appeals will be registered.

Every five years a public evaluation process will be held, in which each team should be confronted with these figures and be subjected to an investigation if the figures were much above average.

In the event that the investigations discovered any instances of malpractice, the consequences could include the cancellation of the public concession contract, or alternatively, the expulsion of the offending judges from that Concessionary Company.

Appeals

There should only be one court of appeal, whose decision should always be binding.

An appeal for a retrial will only be admissible in two situations:

- A) If any new evidence were found in the meantime, or

if substantial changes or unexpected events occurred that may have affected the outcome of the trial; in this case the same court should try the case, though the jury will have to include a fourth member, possibly a volunteer citizen; it will be up to the court to decide if there was enough data to justify a retrial.

- B) If there was no new evidence, the only justification for a retrial will be to invoke negligence, incompetence or bad faith on the part of the judge; in this case the request will need to be endorsed by a court of appeal.

Regarding in detail Case B), in the event of an appeal, if the court of appeal had doubts about the court's performance, the video recording of the first trial could be reviewed. If the court of appeal had difficulty interpreting any previous situation, it may require the first group of judges to explain their understanding of the laws applied or the proof presented. Should this court discover any malpractice, the first group of judges may have to submit to a formal investigation in order to determine if punishment was justified. Alternately, the court of appeal could require the first group of judges to be present throughout the whole retrial process.

If the court of appeal finds no evidence of negligence, incompetence or bad faith on the part of the judges, these appeal court judges will automatically have to sentence the claimants who initiated the appeal to a punishment equal to a thirty percent increase in the initial sentence as well as a thirty percent increase in any fines issued, depending on the case in question.

Before they formally requested an appeal, all complainants will have to be officially notified of the potential increases in punishment. In this way, the number of unproductive retrials

should drop considerably.

Another important mission of the courts of appeal will be to accompany and control all initial court trials. They should use the Community Web Portal to follow certain pre-selected cases, drawn by chance, in such a way that the judges of these courts should not realise that they were being scrutinised. Controlling entities could use the same resources if they so desired.

Appeal courts should also conduct monitoring activities in other types of circumstances. For example, when more than one litigant or lawyer complains about certain judges, the courts of appeal should try to examine the behaviour of these judges to ascertain if there were any problems with his or her competence.

These kinds of procedures should have the following advantages:

- The ability to evaluate judges.
- The ability to supervise judges, as they will never know they were being observed.

If the litigants appeal, appeal court judges should already be aware of all details and be able to answer more quickly.

Types of courts

As mentioned, there are two completely different types of courts:

- Civil courts - these should be managed by the Concessionary Company holding Global Community Public Function 5) Civil justice, Registrations and Community Web Portal, because the role of this type of

court is eminently administrative and may include Family Law, Succession Law, Commercial Law, Contract Law, Fiscal Law, etc.

- Criminal courts - these courts should only consider criminal law and should be managed by the Concessionary Company holding Global Community Public Function 1) Internal security and criminal justice, which is also the same Public Function that manages all kinds of police officers in an effort to better coordinate security and criminal justice.

Next, each of these types of courts will be explained:

Civil courts

Civil courts will judge cases relating to disputes between two or more citizens, among companies or between companies and citizens¹⁰². Each party will be responsible for providing and paying the expenses of his or her own lawyer.

In each civil court trial, there should only be one judge.

Each court will be headed by one or more judicial Sub-Concessionary Companies, according to the size of the area it served. Teams of judges specialising in the above described types of processes will be formed, with these specialisations as well as geographical criteria applied at the moment of allocation of each case.

Criminal courts

Criminal courts will obviously deal with cases in which a

¹⁰²When we talk about citizens, we also include the possibility of the Global Community.

citizen or a group of citizens are accused of a crime. To manage each court, the respective managing Sub-Concessionary Company should have a specific budget that detailed costs and revenue. Revenue will be provided by Global Community financing and also from the fines that convicted felons will have to pay as part of their punishment.

However, these judges could not issue inflated fines, as all amounts should be rigorously stipulated to fall within minimum and maximum ranges set according to the situations in question. The financial situation of the felon should also be taken into account. Furthermore, periodic controls should be conducted by the Controlling Entities in charge of this and other issues.

Deadlines for intervention by criminal courts

In certain specific cases, particularly where criminals were caught red-handed, the trial will have to occur immediately after the felon's arrest. Among many advantages, this will ensure that events should still be fresh in witnesses' minds, making it less likely that someone will be unable to recall a given fact.

For more complicated cases, or if criminal laboratory testing were necessary, the maximum period for the beginning of the trial should vary according to the technical limitations of the tests to be performed and to the constraints of the investigation itself. However, this time should not exceed a maximum period of between three and five weeks after suspects are formally charged.

This is aided by the fact that according to Ergonocracy models, all laws are reduced to their essence. Also, a wide range of technical tools and investigative resources should be

made available.

Composition of the Criminal Court

Therefore, regardless of its size, each court will need to be managed by a Sub-concessionary Company. For a small sized court, this Sub-concessionary Company should need to contain at least thirteen members, including the following:

- Twelve members, consisting of four teams of three judges each; each team will hold a twenty-three percent share and typically each judge will hold a seven or eight percent share, according to how this was negotiated¹⁰³.
- One court manager, who should typically hold an eight percent share.

Each team of judges could be composed of:

- One judge-investigator - the judge responsible for the accusation.
- One judge-attorney - the judge responsible for the defence.
- One judge-president - the head of the team.

The court manager should take care of all general support, organisational tasks, outsourcing services, the management of the court, etc.

Functioning of the Criminal Court

The functions of each judge are as follows:

¹⁰³ *107 Typically the Judge-President and the Judge-Investigator should have eight percent and the Judge-Attorney should have seven percent.*

- Judge-Investigator - this judge should be directly involved as a participant in the investigation process, in partnership with investigative police; he/or she will be responsible for collecting evidence and preparing the accusation.
- Judge-Attorney - this judge should be responsible for defending the rights of the accused and for collecting all evidence that may help the defence.
- Judge-President - this judge should coordinate and manage the hearings and render the final decision.

One of this model's great innovations is the partnership between the judge-investigator and the investigating police. The idea is that the judge-investigator should play a dual role, i.e. he or she is simultaneously a policeman and a prosecutor. This way, the judge-investigator should participate in each police criminal investigation team, which should allow him to participate throughout the investigative process. This will allow him or her to decide at any point along the way whether or not to proceed with the investigation. If this judge-investigator decides to do so, he or she will then have to monitor the investigative process, gather all evidence and present it to the judge-president, who will take the trial forward from that point on.

This concept of teamwork between judge-investigator and police detective is an important factor in reducing the response time of criminal courts. In this way, both parties are involved: the world of investigation and the world of justice.

Any of these judges will be entitled to interrogate witnesses and take any initiatives that they find necessary, including the possibility of requesting that certain aspects of the crime be briefly re-investigated. This is an easy process, as they have

someone on their team who is also an investigating officer: the Judge-Investigator.

At the end of the hearing the decision and the sentence will be determined by a simple majority. Of course, in practice, the Judge-President will be the one who make the final decision, although judges should always vote as they see fit.

Neither the Judge-Investigator nor the Judge-Attorney will have any direct premiums (bonuses) pegged to the number of convictions they effected. In this way, they will have nothing to gain by deciding one way or the other.

The purpose of a trial in progress is to arrive at a fair verdict as quickly as possible. Let us not forget that all laws should have to be available for public examination and that laws should be fewer in number and easier to interpret.

The veracity of each piece of evidence should then be discussed, based on testimony heard, the support of specialists and information available on the Community Web Portal and other information systems.

The Judge-President will have at his or her disposal a set of support mechanisms in order to be able to deal with more complicated situations, namely:

- When needing to clarify certain evidence or when judges conclude that the process was unclear, they may decide that additional investigation was necessary; in this case, the trial will be suspended until the investigation is completed. This investigative process will essentially be executed by the Judge-Investigator, as previously explained.
- If the Judge-President has judicial, technical or procedural doubts, he or she may request the

involvement of a specialised outsourcing judicial firm to obtain the necessary advice.

- In especially difficult or large cases, the Judge-President may request the support of an additional team of judges.
- If the Judge-President has difficulty analysing the collected evidence, he could ask for citizen support; this is to say that he could ask for volunteers to make their views known via the Community Web Portal. Before giving their vote, these volunteers will have to prove that they had no connection with the suspects and that they had reviewed the whole trial and examined all the evidence. Of course, their opinion will not be binding; it will simply be another tool at the judge's disposal.

In the case of sensitive issues where victims do not wish to be recognised (for example, rape victims) these individuals will be allowed to testify long distance by video. They could also have the option of being present at court wearing a mask provided for the occasion. People's names could also be changed.

In this criminal justice system, no defence lawyers will be required, as this role will be carried out by the Judge-Attorney, who will be automatically appointed to represent the accused, free of charge. However, if the accused so wished, he or she could always hire one or more defence lawyers as judicial advisers, who will attend hearings and have limited participation. In this case, all lawyers' fees will be assumed by the defendant.

The defendant will be informed in advance that if he or she confessed to the crime, the Judge-Attorney will automatically be obliged to inform the jury of this fact, his or her main

mission being to discover the truth. Furthermore, if the Judge-Attorney discovered that the suspect was in fact guilty, he or she should try to convince the suspect to plead guilty in exchange for a reduced sentence. If the suspect refuses this offer, the Judge-Attorney will still have to defend him or her all the way, but when it comes the time for the judges to vote, he or she will be excused from voting.

Within every court, each team of judges should try to specialise in a particular type of crime or motive, which will be explained in detail in the following chapter.

Only four types of crimes and their motivations should be stipulated, leading to the creation of four judge teams per court. Each team will therefore have the task of dealing with the cases within its area of specialisation. However, even when judges attempt to follow this rule, it is clear that the pressures of everyday life will mean that teams will have to share some of their cases, if they have a heavy work load. Of course, the most overloaded teams will share their cases with less stressed teams, so that judges could help and support each other.

Differentiation of crimes by motive

Even though crime is a social disease, every patient bears responsibility for the illness, as the person has allowed him or herself to become infected. Crime occurs because human beings are weak and succumb to temptation. As criminals are often individuals who have decided to take the shortest and easiest paths, they can be considered people who let their emotions control their rational behaviour. A criminal is essentially a selfish person. Whether he or she learned this behaviour or inherited it genetically, is another matter and will not be the focus of these models.

The Ergonocracy Judicial and Security Model upholds the

notion that the criminal justice system must punish each crime differently, in the same way that we use different medicine for different diseases. The punishment will consist of a prison sentence, though the innovation of this model resides in the fact that four different types of criminal prison terms will be considered, depending on the motivation behind each type of crime committed. These four groups of crimes and motives are as follows:

- Crimes involving premeditated violence and homicide; main motive: uncontrolled propensity for violence.
- Crimes of passion and violent non-premeditated crimes; main motive: lack of self-control.
- Paedophiles and rapists in general; main motive: uncontrolled sexual desire.
- Economic crimes, robberies, burglaries, counterfeiting, drug trafficking and corruption; main motive: uncontrolled lust for money (greed).

As can be seen, these four groups have a common denominator: a lack of self-control. It is therefore logical to assume that if offenders need to be reintegrated offenders, they need to be taught how to take control of themselves. This is why each group should have its own unique rehabilitation therapy, since diverse types of uncontrolled tendencies are talked about.

As stated above, the Ergonocracy Model argues that each of these types of criminals should be separated from each other. In practice, these four different groups may share the same prison as long as the prison facility is physically divided into four distinct wards, so that inmate groups will have no chance to interact.

The reason why this model is advocated has to do with the following:

- Because the profiles of these offenders are completely different; therefore, punishment and reintegration procedures should also be different. Thus, keeping criminals who have committed the same offence in the same physical space, will facilitate the creation of synergies that will help in their treatment.
- Another objective is to prevent a phenomenon that occurs too often due to contact among criminals. As everybody knows, many criminals who arrive at prison with a certain criminal background most often become criminally educated and therefore much more dangerous by the time they leave. Thus, if interaction between distinct types of convicts are eliminated, the risk of increasing each offender's potential harmfulness will be reduced.
- Extending the previous line of reasoning, this process also aims to avoid a situation of exclusion, or marginalisation of certain types of criminals, as usually happens in the case of criminals who have committed certain types of sexual crimes.

As the motives behind the crimes of each of these criminals groups are different, the way in which their fellow man has been disrespected, is also different.

“Acknowledge, assimilate and identify”, should become the prevailing slogan in prisons. Many sociologists argue that one of the reasons criminals do not hesitate to commit crimes, is the fact that they do not identify in any way with their victims.

Thus, in each of these prisons, practical therapies should be applied to give criminals the opportunity to assimilate the

consequences of the harm they have caused to their victims, family and friends. At the same time, they should be creating bonds and starting to identify with the victims of other criminals.

In this context, each of the prisoners will be given the opportunity to help the community by attempting to compensate for the harm he or she has caused. This should be done with reference to the same types of crimes as those in which the offenders were involved. They should also be involved in the same types of crimes that they themselves committed.

If criminals agree to participate of their own free will, their sentence could be substantially shortened. If they don't agree, or if they participate unwillingly, they will have to serve an extra fifty percent of their sentence time. The objective should be to help create a strong reason for prisoners to wish to take advantage of this therapy and these rehabilitation opportunities.

This framework could lead to a new concept, the building of victim therapy centres next to prisons in which a large part of the support staff will be composed of inmates. Together with psychologists, these prisoners should be in the best position to comfort victims of similar cases to those in which they had participated, as victims will also have the opportunity to emotionally understand why the criminals behave the way they do. In practice, these joint therapy sessions, coordinated by psychologists, should be promoted in such a way as to spark a dialogue between victims and ex-offenders in an attempt to explain the inexplicable. This should occur as offenders relive, in the first person, the details of their crimes and how they felt while they were committing them. These types of sessions will therefore have dual objectives, to provide psychological support to victims and to try to rehabilitate the criminal. The

success of this endeavour could only be assured if these experiences help criminals realise the harm they had caused, creating in them a desire to change future behaviour.

Regarding specific activities for each of the four types of crimes and criminals, here are a few solutions:

- For premeditated crimes involving violence and murder, activities should be promoted that will allow these criminals to spend a large part of their day in the aforementioned victim centres. They should also be required to spend considerable time in hospitals and physiotherapy centres monitoring cases of victims recovering from acts of violence, as this should be another way to realise the impact that violent acts have on victims and their families.
- For crimes of passion and violent non-premeditated crimes, the adoption of measures similar to those referred to in the previous case will be recommended. Offenders should also submit to several group therapy sessions, activities aimed at improving their self-control and exercises to help them regain mastery of their impulses.
- For sexual crimes against minors and for rapists in general, it should be recommended that these transgressors only be allowed to leave prison once they had agreed to the use of chemical castrating inhibitors and, of course, after they had served their sentences. Release from prison should be contingent upon their proving that they do not constitute a danger to society; furthermore, other techniques, such as shock therapy and group therapies could be used with the goal of trying to alter the individual's abusive sexual tendencies; surgical castration, as a last resort, could

be applied in the most serious cases.

- For economic crimes and crimes motivated by greed, it should be recognised that very few therapies will work on these types of individuals, as these crimes can only be avoided if an individual changes his or her values and personality, which is almost impossible. These criminals usually possess a very low degree of self-censorship in relation to their activities and the only deterrent is the fear of getting caught. Therefore, we can distinguish between two types of cases:
 - Underprivileged criminals - these types of criminals should be provided the opportunity to learn new careers in order to benefit from new economic opportunities. Their hope for rehabilitation should be directly linked to the possibility of economic integration upon release from prison.
 - Rich criminals - it is recognised that for this type of criminal it should not be worth taking any concrete action, as the best deterrent should be to deprive them of their liberty and channel a significant portion of their wealth to their victims or to the Global Community as reparation for their crimes.

Crimes related to drug trafficking are not dealt with here. However, technically, these could be viewed as a sub-division of “mobile economic and greed related crimes”. This topic is discussed in detail in a later chapter.

When a lawbreaker’s crimes encompassed more than one crime and motive, the case should be carefully analysed in order to determine the principal motive, the one that actually motivated the crime.

Before the individual could be released from prison, it

should be crucial to ensure that all circumstances that had contributed to the crime, ceased to exist in the person's life. In this context, psychologists and sociologists should have a word to say before the granting of any probation and stipulate the conditions best suited to each case. For example, it may be considered necessarily for the individual to move from his or her residence to an entirely different area. Other restrictions may be imposed to prevent the individual from visiting certain locations, people, etc.

Let us not forget the main goals of a judicial sentence, in this order: to deter crime, to punish the guilty, to comfort the victim and to rehabilitate the offender.

All offenders should have the chance to redeem themselves due to the fact that the Ergonocracy model seeks to rehabilitate every human being whenever possible. This should apply to everyone, except in cases that were considered to be lost. This issue is addressed in the next chapter.

For lost cases - life imprisonment

For severe cases, repeat offenders and particularly violent individuals who demonstrate pathological tendencies, as well as for all criminals regarded as irrecoverable, it is recommended that these individuals should be placed in isolation, preferably on an uninhabited island, if possible, with no pre-existing infrastructures, no authority and no possibility of escape.

This could be called "prison without return" where prison guards should limit their activity to patrolling the prison border to prevent any escape. Each prisoner could be monitored via obligatory electronic bracelets or even chips embedded in their bodies so that an automatic alert will be sounded in case of an escape attempt.

The idea behind this model is based on the theory that these individuals were born with a genetic strain that is a throwback to our primitive evolutionary stage. They belong to a primal breed of humans that will accept no other than the natural order, rule by the strongest. In other words, the only law in this isolated place will be the law of the jungle. Consequently, these men should have the opportunity to live in a society more suited to their nature. They should be condemned to live in this prison for the rest of their lives.

Once a week, prison services should visit the island to deliver groceries, seeds, agricultural equipment and building materials. These visits should also include medical consultations by a doctor who should provide basic medical treatment using the most essential medicines and equipment. This should represent the only interaction with people in the outside world.

This model will ensure a significant degree of deterrence, while at the same time allowing a certain level of freedom for even the most violent criminals. They alone will become responsible for their own destinies in this physical space. If they chose to continue to live in an environment dominated by violence, no one should stop them, but they could only harm each other. Some people will say that this is a part of their punishment, although this is not the main intention.

The possibility of the island being shared by convicts of both sexes could be a politically delicate issue. Citizens should need to decide this by referendum, though in principle, there should be one space for men and another for women. However, in the unlikely event of joint coexistence, it is clear that men and women should be required to undergo permanent sterilisation.

6.5 The Ergonocracy Drug Problem Solution Model

Restrictions on drugs do not work

Extensive analysis regarding a drug problem in any society will show that it is almost impossible to avoid the proliferation of drugs, regardless of the laws and the means of enforcement.

The most that police repression of drug dealers can do is limit the use of drugs. These attacks on suppliers will only reduce the amount of available drugs in the market. A reduction in the supply of drugs leads to higher prices, as is the rule with supply and demand. This can worsen the social drama and lead to other types of crime.

It is obvious that when prices go up, potential criminals become increasingly tempted to risk occupying the gaps in the drug market supply chain, so that supply is gradually restored, thus resuming an endless cycle.

The only effective way to tackle this problem is to focus on the drug consumer's behaviour and encourage abstinence, thus trying to lower demand.

However, it should also be understood that the individual's freedom is an important Ergonocracy principle. It is, therefore, logical to argue that every human being, provided that he or she is a sane adult, has the right to make choices and to do whatever he or she wants, even if it is harmful or dangerous. This includes the right to have fun and to explore the full enjoyment of the senses, with no one to have the right to impose limits. This also applies to taking drugs.

Drugs are a serious social problem

Individuals' rights must be revoked whenever these

individuals pose a risk to others. This applies to anyone in a state of alienation typical of someone on drugs. Anyone who consumes alcohol in excess may also pose a threat to others. However, the social problem of drugs is particularly aggravated due to the fact that drug addicts tend to become social outcasts as a result of their behaviour, as many addicts end up becoming criminals in order to obtain the necessary funds to maintain their addiction. This may be a direct result of the high cost of drugs.

The high cost of drugs is not a result of production costs, but is essentially due to the fact that they are illegal, and possession or trafficking is punishable by law. Therefore, drugs are usually scarce and expensive.

If drugs were to become legal, prices should drop and drug dealers and smugglers could be out of business. But how could this be done in order to minimise harmful social effects and health problems?

There is a radical solution

The most obvious solution is to imagine a confined space where all sorts of pleasures could be safely experienced, including recreational drug use. At such a facility, the necessary means to remedy any emergency should be readily available. Thus, the use of drugs should only be allowed in such an establishment. This way, any harm that people in an altered state may cause to others could be prevented. This way we could be achieving three objectives:

- Our primary objective should be to simultaneously honour the principle of freedom and guarantee the safety of third parties.
- Our secondary objective is to create the necessary

conditions for drug trafficking to no longer make sense as a business venture. Drug traffickers should be brought to ruin and they will have to change their line of business. However, for this to happen, consumers of drugs should no longer want or need to seek their dealer.

- Our third objective is to help drug addicts get over their addiction. New drugs should be developed and should have similar effects to traditional drugs so that consumers of drugs could use them. However, these new drugs should have fewer side effects on the health of users as well as a weaker addiction capacity. They could cost much less than traditional drugs do. With these two combined measures, consumers should be less inclined to buy drugs on the street;

In short, drug use should only be allowed in an enclosed space with controlled access, in predetermined quantities. In case of emergency or health problems, all the necessary means to minimise these events should be put into effect. This means that the possibility of causing harm to third parties will be greatly reduced.

The idea here is that drug use should preferably occur in controlled environments, associated with entertainment, dramatic arts, music, and social events - and in cultural and leisure activities, in such a way as to enhance the fun or help make people come into contact with positive and enjoyable “multimedia” experiences. This is because one of the aims is to avoid one of the usual roles of drugs, as a refuge and an escape from problems. In fact, it makes sense that drugs, as with alcohol, ought to be used among a group of friends in a relaxed and safe environment. So, the idea is to make the use of drugs part of a varied package of sensations, in a new context where

drug users no longer need or desire to buy illegal substances. They could instead buy a ticket for an event, thus a product is transformed into a service.

The price of a ticket ought to be much cheaper than that of an individual drug dose.

Access to these “events” should be controlled and registered so that there could be an additional advantage. It should be very easy to detect someone who was attending these events too many times, in which case an automatic process will be triggered in which specialised teams should intervene to help the person in question and try to curb that person's drug habit, especially in the early stages of addiction.

In the same way, there should still be police prosecution of the sale of narcotics to minors and those with reduced cognitive abilities. All other users should be informed of the advantages of attending the above-mentioned events.

Clearly, this system will arrive too late for chronic or severely dependent drug users, those who need massive doses of drugs just to hang on. But for all others, including all young people growing up in this world, it should be a much more attractive solution than taking drugs in the usual dangerous and decayed alleys.

How can we implement this?

To be able to carry out the process of creating new drugs, there should be a technical committee supervised by the Public Health and Civil Protection Concessionary Company. It will have the task of organising all the means and resources to create new types of laboratory drugs, taking into account the different types of drugs that already exist as well as their effects. In addition to this, there should probably be RFT

tenders to select the most suitable laboratories (sub-Concessionary Companies) to create and produce these drugs.

In short, nothing should ever be considered prohibited, as it is generally understood that in nature there are no banned substances. For example, a hammer is a useful tool, but it can also be used to kill someone. It is the misuse of things that should be subject to litigation and not the things themselves.

The activities that ought to be illegal are all those that may constitute a form of risk or harm to innocent third persons. The Global Community should no longer have the same paternalistic attitude as it has always had in the past. Ergonocracy models do not acknowledge any authority or moral supremacy to enable someone to determine what is allowed and what is prohibited.

The concept of an adult amusement park

The place where drug use should be allowed could also allow all types of bolder pleasures. It could be a kind of “amusement park for adults”, a mix of Amsterdam, Las Vegas and Bangkok. In fact, it will not make sense to allow the use of drugs and forbid or ignore other types of pleasures.

It should be confined within a large walled enclosure, containing numerous leisure and entertainment establishments of all kinds, where almost “all” pleasures and vices will be allowed in a controlled and relatively safe environment.

Some people argue that one of the best ways to really know ourselves is by experimenting with different sensations and letting ourselves get drunk with pleasure until we are not able to feel anything else. Although this claim is somewhat exaggerated, there is some truth to it. This could be achieved in the precincts of this adult amusement park where there should

only be one very simple rule: the action will only stop when the client wishes it to stop, and at that moment it should stop immediately, without any questions asked. The limit is the discomfort of the customer. People all have different sensitivities and different breaking points. What may be unbearable for some can be extreme pleasure for others. Behind this concept is the understanding that we are all unpredictable beings, inconsistent and weak, especially with regard to pleasure. On one hand, it may be noted that everything that gives pleasure, is either considered immoral, expensive, harmful to our health, or prohibited. Paradoxically, on the other hand, humans know that the best things in life are free, such as a beautiful landscape, a perfect sunset, sex (anytime), or cool water on a summer afternoon. It is between the dichotomies of these two axes that action could flow in the Amusement Park for Adults.

6.6. The Ergonocracy Security Model

Police Intervention Model

The Ergonocracy Security Model aims to introduce a new concept of security, arguing that the best strategy for crime prevention is to maintain a high level of deterrence.

A certain level of deterrence can be achieved in the usual way - with heavier sentences. However, if criminals start to feel that they are very likely to get caught red-handed, this will heighten the deterrence factor even more.

Thus, a new way of organising the various crime fighting resources is suggested. In order to maximise efficiency, it is proposed that instead of a police patrol model, rather a rapid intervention police model should be bet on.

This model is composed of two components:

A) Quick alert (effective surveillance).

B) Quick arrival at the scene (efficient intervention).

So, let us examine what can be done with each of these components:

A) Quick alert (effective surveillance):

One important concern that should be dealt with, is minimising the time lapse between the beginning of the crime and communication of the alert. The alarm should be dispatched as quickly as possible, which brings us to a very important issue: surveillance.

It is suggested that a wide range of surveillance cameras should be installed in almost all public places, streets, squares, etc. Simultaneously, all commercial and public spaces should be equipped with concealed safety equipment, so that a robbery or the victim of violence could discreetly trigger an immediate panic notice to be sent to the Central Supervision Centre. Specially priced alarm packages should be proposed to every household that wished to be connected to this system.

To complete this surveillance set, a fleet of small autonomous aircrafts should be created to patrol the skies of urban and rural areas to detect irregular activities¹⁰⁴. This equipment should have powerful cameras that could be remotely controlled by the Central Supervision Centre system, which could be equipped with intelligent recognition software to pick up any signs of danger. In the case of a doubt, the system should promptly alert one of the human operators at this

¹⁰⁴ *This has nothing to do with technical innovation; several military services already use these kinds of gadgets to gather information on their enemies, without putting a soldier's life at risk.*

Central Supervision Centre to check out the problem.

These operators should attempt to confirm the occurrence by observing images from various available cameras before deciding to send intervention forces to the site. They should know the location of all resources and could therefore be able to delegate the task to the most appropriate team.

B) Quick Arrival at the scene (efficient intervention):

According to this model, these highly trained SWAT type intervention police should be continuously patrolling the skies of the territory in vertical¹⁰⁵ take-off jets, which should patrol strategically divided areas. After being notified of a disturbance, the jet flying closest to the location in question should be able to complete a safe landing at any point in its designated territory within a maximum time of between forty to one hundred and twenty seconds after the alert.

It is estimated that this average police intervention time will pose a sufficient deterrent for most criminals and cause them to rethink their intention to commit crimes. These jets should follow a previously defined working timetable and take turns several times a day. Each one of these jets will carry a pilot, four police officers, two paramedics and an armoured robot to intervene in ambush situations. A few of these jets should be larger models with room enough to carry a small armoured ground vehicle, designed to intervene in more complicated situations as a second line of intervention.

If both components - surveillance and intervention - manage to work well and quickly, police intervention could be provided

¹⁰⁵ *Author's Note: we are talking about vertical take-off jets, which are the result of already existing technology; it should be noted that equipment of this type is currently used by military forces of certain countries, including Great Britain, for example.*

in an exceptionally rapid way. This will constitute a powerful deterrent to any offender, who should realise seriousness of the threat.

In densely populated areas it should be recommended that police intervention should also rely on the use of duly equipped helicopters.

The general goal should be to deter crime, that is, to prevent its occurrence. However, if a crime were to occur, the purpose should be to avoid the more harmful consequences and, if possible, catch the offenders red-handed.

Another factor that could act as a strong deterrent is the previously mentioned fact that money will only exist in its digital form, meaning that all money transactions will leave a visible paper trail which could incriminate the wrong doer and be impossible to erase.

This security model, although very costly due to the equipment involved, will ultimately be cheaper than current twentieth century models, as it will free many police officers from patrol duties and thus diminishing its correspondent payroll cost.

Police investigation services

As previously mentioned, the criminal investigation police will be organised into teams of two elements, to include the following:

- Judge-Investigator: this is the professional who will combine police investigative functions with those of a prosecutor judge, previously referred to in the Judicial Model. This close iteration is meant to lessen the gap between the worlds of investigation and justice.

- Operational Researcher on the ground.

These teams should be complemented by several specialists:

- Experts in each type of crime.
- Psychologists.
- Laboratory technicians.

Emergency services

Given that situations of emergency require rapid medical intervention, emergency services could be organised in a similar way as those of the police. We could easily imagine a system where several jet-ambulances or helicopter-ambulances could be permanently in the air, duly equipped with life support systems and prepared to carry patients to hospitals as quickly as possible.

Army

The army should be reduced to the minimum possible size and consist of only a very small number of Special Forces.

As happens with judges and with secret police officers, these individuals should constitute a special group of professionals. Therefore an exception will be made, as they will not be subjected to the usual Concessionary Company selection and should have extended concessions for periods of twenty years.

7. The Ergonocracy transport and distribution Model

7.1 Community Delivery Box (CDB) network tunnels

Characterisation: Internet order deliveries take too much time

Currently, we observe the increasing use of the internet in the world of commerce, but only a small portion of all internet transactions are likely to be concluded immediately, i.e. after the consumer makes the payment for the order.

The only exceptions regarding deals that can be immediately concluded are certain intangible services like telecommunications services, software downloads, online betting, licensing sales, information provided by request, music, films, e-books and the provision of certain kinds of services.

Everything else that is ordered via internet - referring to all tangible assets and goods that exist in the physical world - requires delayed delivery, and in many cases, there is a long time gap.

This state of affairs, besides causing much inconvenience to consumers and loss of revenue to companies, is also a barrier to the development of electronic commerce over the internet.

In fact, in many cases clients opt to acquire goods from the traditional physical supplier after having elaborated their research over the Internet.

Those customers that opt to order via internet already know that they will have to wait for the ordered goods to be

delivered. And when these goods are finally mailed to the residence, in case nobody was there to receive the order, this will imply an additional inconvenience, as the customer will have to pick up the delivery at his nearest post office in the next working day.

There is, therefore, a huge gap between a highly evolved and efficient information system and, on the other hand, a slow and archaic physical distribution system.

The previously detailed Ergonocracy Economical Model presents an organisation whose agents will have to be able to act in a highly streamlined and efficient manner. It is, therefore, important to have a distribution method that can facilitate and promote these purposes.

What is the aim of the “CDB tunnels” model?

Inevitably, a new, more efficient transport and distribution model needs to be created, which allows the immediate resolution of asset transactions involved in the process of internet commerce. If this is achieved new frontiers in the world of digital (and physical) communications will be establishing.

It is in this framework that it can be said that the aim of the Community Delivery Box (CDB) network tunnels - should be to allow the implementation of an immediate process for sending and receiving merchandise ordered via internet or sent between any individuals or companies for all types of transactions.

In this way, all kinds of goods could be delivered almost immediately after they had been ordered via internet and all transport details should be available for online monitoring by the client, including delivery status and delivery forecast.

So, the CDB system should become the final step in the electronic transaction cycle, and provide a new paradigm in the internet globalisation process. Barriers related to the limitations of the physical world should cease to exist, increasing the amount of digital purchases in the citizen's day-to-day reality and allowing the following types of services:

- CDB standard service, subscribed to with a monthly flat rate fee, which allows the client:
 - o To be able to immediately receive all internet order packages and all mail deliveries.
 - o To send or receive gifts, samples, or messages to anyone. This will be useful either for companies or for personal clients.
- Local Neighbourhood Storehouse (LNS) extra services: If the client chooses to pay for these additional services provided by the LNS, he or she should be entitled to: fresh produce and groceries, cooking services, dish washing services, laundry services, etc.

In order to use LNS extra services, the client, will have to pay an extra monthly fee according to the cost of his defined package.

The CDB system could be open to other countries in order to make direct transactions with citizens and companies possible.

How would the CDB system work?

To better understand the CDB concept, let us think about the worldwide underground network for electrical, telecommunications, water and gas transportation that reaches almost all households. The CDB will simply be one more

underground network of open tunnels. It is as simple as that.

This system of tunnels should be created to allow a local terminal at each residence and/or each company. In each home, this tunnel should end in the most suitable place: it may be in the kitchen, where the tunnel door could be shaped like an oven door, or it of having to pick up his package at the nearest post office the following business day.

The duration of these delays is not in keeping with the fast pace and working rhythm that citizens are used to. This information could be in the living room, in which case the tunnel door could resemble the glass door¹⁰⁶ of a fireplace heating system.

Behind the door, there could be a cubic space, with standardised measurements, such as 40cmx40cmx40cm. The purpose of this free space should be to accept a moving mobile wagon container, called a "box-wagon", whenever the client receives a delivery, a package, an internet order, letters, groceries, etc.

It should be crucial for all measurements to be widely standardised in order to facilitate the supply and transport of goods and to allow the generalisation of the service, so that any client's terminal could receive any box-wagon.

These small cubic box-wagons could circulate over rails along the numerous global network tunnels and each one of these devices could be equipped with a small quadrangular electric motor in its lower area, which should occupy as little space as possible. Its operation mode should be similar to that of electric trains, but it must have a set of axle wheels not only on the bottom of the vehicle, but also on the sides. This is to

¹⁰⁶ *It will depend on the architect's and builder's decision.*

allow the vehicle to be able to climb upward in vertical¹⁰⁷ tunnels, i.e. inside tunnels that will give access to buildings, called “last mile tunnels”. Also, these double rails should help to prevent derailments and allow each small wagon to achieve high speeds, especially around curves.

In fact, each of the homes should be connected to the rest of the world through a local tunnel. For instance, a store building should have a vertical last mile tunnel that will serve all residents, and should end in a local tunnel. This local tunnel will then terminate in the local neighbourhood storehouse (LNS), which should then be linked to the remaining CDB network.

Each LNS should consist of a Local Community shared warehouse equipped with community facilities and equipment that would provide their Local Community with a set of services, including a cluster of domestic services, which will be discussed in more detail later in this chapter.

The different tunnels will comply with a hierarchical framework, detailed in the following paragraphs:

- Last mile tunnels: These tunnels should be private property and will be owned by the owner of the building, the condominium or by the group of co-owners. They will usually be built within the foundations of a building, a house or a company’s office building and will end inside the residence or office. These should be bi-directional tunnels with only one rail; only one tunnel for both directions (mono-rail).
- Local tunnels: These tunnels will link Last Mile Tunnel

¹⁰⁷ Similarly to that of an elevator.

clients with the LNS and so they will be bi-directional tunnels with only one rail - only one tunnel for both directions (mono-rail). This means that the CDB controlling system will have to retain the box-wagon in the LNS waiting park if it detected incoming traffic from a residence or office.

- LNS tunnels: These tunnels will link an LNS with another LNS or an LNS with a highway tunnel. These types of tunnels will have two railways, one in each direction.
- Highway tunnels: These tunnels will end in a Backbone Strategic Tunnel and will have two “railways” in each direction, similar to the concept of a motorway.
- Backbone Strategic Tunnels: These tunnels will be long distance strategic connections, usually between major cities or countries. There will be no stops for several kilometres and there should be four to six "railways" for each direction, in order to allow the wagons to achieve extremely high speeds and to accommodate the volume of traffic expected in each section; these structural links may be built at the surface whenever feasible and only if it were less costly. For instance, they may be built alongside an existing train network. Also, this system will have to ensure all possible protection against theft of merchandise.

All of this rail network construction will have to take into consideration the existence of lateral parking stations, which will have to be available every fifty meters or so, as temporary shelters for broken down box-wagons, where they could stay until help arrived to correct any mechanical problems.

The CDB control centre and the CDB expansion model

The coordination of this global transportation system will require high computer processing capabilities in order to ensure that all internet orders are filled as soon as possible. At the same time, it should guarantee that box-wagons will not crash into each other or go in the wrong direction. Each box-wagon will be equipped with a mobile device so that it could communicate with the CDB control centre. This mobile radio device should also serve to allow the CDB control centre to disclose the vehicle's geographical position at any time.

There will be a single CDB control centre, managed by a Sub-Concessionary company chosen by the Concessionary Company holding the Public Function "6) Economic support", and also by its Sub-Concessionary Company "Maintenance of Public structures". This company will act as a regulator, defining construction standards, technical standards and also organising RFP's for the construction of the various construction projects, coordinating this process with the various Local Communities.

In effect, the construction of the tunnels should be the responsibility of the following entities:

- Last mile tunnels: The responsibility for building these tunnels should rest with the owners of the buildings and the costs ought to be incurred by them. To undertake this project, they will have to hire certified companies (certified by the regulator).
- Local tunnels: The responsibility for building these tunnels should be that of the respective Local Community, and the costs will have to be incurred by all residents. Therefore, except for the LNS, all costs and responsibility should be at a local level. Starting

with the LNS, works should be considered Public Infrastructure, and should be run by an operator.

- LNS tunnels: Two distinct situations will prevail:
 - o Tunnels that will link an LNS with another LNS should be equally financed by both Local Communities that it served.
 - o Tunnels linking an LNS to a highway tunnel will have to be financed and run by an operator.
 - o Highway tunnels: These tunnels ought to be run by an operator.
 - o Backbone strategic tunnels: These tunnels should also be run by an operator.

This model will be a multiple competing operators (providers) business model. It should be similar to the business model that exists in sectors such as telecommunications and ISP's (internet service providers) being defined by the regulator of basic functioning standards to ensure inter-operability.

There should be two types of operators:

- Builder operators: These operators will ensure that all construction costs and revenues should consist of a fee for every box-wagon travelling through their section of the network. These fees should be defined and regulated by the regulator. The regulator will have to issue several RFP's for the construction of the various long-distance links (backbone strategic tunnels, highway tunnels and tunnels linking an LNS to a highway tunnel) and the best and least costly operator proposals should win.
- Reseller operators: Reseller operators should supply service to each household providing a contract and

charging a monthly flat rate fee to each household. Reseller operators will then have to settle all accounts with the builder operators concerning the number of box-wagon journeys. In effect, these reseller operators should not own any physical structure; they will merely act as intermediaries to enable all agents “to talk to each other”, making this modus operandi much simpler for each final client.

Logically, CDB service should eventually replace the traditional postal and distribution service companies. Thus, it may make sense that, at the beginning, for this service to be operated by companies from these sectors.

All available links should be managed by a CDB control centre in such a way as to allow a consumer who ordered a certain item over the internet to be immediately informed of the time estimated for receiving the order. This delivery time will depend not only on the availability of items in stock, but also on the existence of long-distance tunnels between the residence and the company’s warehouse. Therefore, all of these systems should have to be integrated.

Standardised size deliveries and the usual delivery process

Once again, we recommend that product packaging be prepared and assembled in order to fit the CDB box’s standard 40cmx40cmx40cm measurements.

Of course, certain large, solid objects may never be able to be transported by this system. However, whenever possible, companies and factories that produce larger products could start to change the product’s assembly and packaging in order to allow the product to be divided into multiple CDB boxes so

these parts could be dispatched in successive, sequential¹⁰⁸ shipments to the recipient. In short, the package size need to be set to the box's measurements.

Companies that received an order for an item, after checking that it was in stock, should immediately pack the item and place it in the first available CDB box-wagon¹⁰⁹. Then the item should be shipped on its high-speed voyage directly to the client's home CDB door, without any further delay. Finally, an audible bell will ring at the client's home CDB door, indicating that he or she should open his CDB side door and pick up his delivery. Then, the box-wagon will move on to be available for the next client.

If the client was not at home, the wagon could simply leave the top container box with the item inside, and be used again for another shipment.

The biggest barrier to CDB implementation

In buildings that need to be built from scratch after the CDB era, all necessary CDB infrastructures should be planned and considered in the original project design phase so that each household could be supplied with a CDB box. In most cases, the only visible alteration will be to include a vertical column from the top to the bottom of the building connected to the "last mile tunnel". In larger buildings there should be two columns, which could provide redundancy in case of failure, or

¹⁰⁸*This should be a similar concept to what happened with maritime vessel construction during many years, when construction was limited to the width of the Panama Canal and the vessel could not to be wider than a certain measurement; otherwise the ship could not be allowed to enter the canal. This measure dictated the size of vessels for many years.*

¹⁰⁹*Each CDB door should be equipped with an LCD screen where the user could perform several operations, including requesting a CDB box-wagon, if there was currently none at that location.*

come in handy in case of heavy traffic. All of these technical details will have to be properly studied and defined.

For the CDB system to be successful, the greatest barrier to its dissemination should be overcome, the fact that no existing buildings have been designed to incorporate this functionality.

To overcome this problem, as a transitional period solution, there should have to be shared local public CDB structures. These structures should serve a group of building residents, or all citizens that live in a group of nearby buildings.

To see how this could work, imagine a corridor full of lockers, such as the ones that exist at most bus or train stations. Each of these lockers should, in fact, be a CDB door box, which will allow each individual to pick up a delivery. To do so, a password will be required, which should have been previously provided to the individual.

The total number of CDB box doors should be much lower than the total number of residents, which may cause problems at the end of the workday in the unlikely case that everyone received a package. If this happened, people will need to wait their turn to use a locker.

This provisional system could work by way of different solutions:

- The preferred solution could be to have the tunnel end in the building's entrance hall, as long as there is enough available space.

If this isn't possible, or if it is too expensive, the CDB public lockers will have to end in the street, preferably next to the building they are intended to serve.

If the sidewalks are too narrow, CDB public lockers will have to end in the nearest wide space available.

As mentioned before, these types of public CDBs will have to take safety into account and ensure that the recipient of the package is in fact the person to whom it has been shipped. This authentication could be done very simply, in two steps:

- The CDB control centre computer system should be programmed to understand that there are two types of CDB recipients, public and private, and it should know in advance which type of machine was involved:
 - If the order was shipped to a private CDB system, the CDB control centre computer system should verify the way the CDB clients (family) configured their CDB:
 - If the family members had not previously configured a password requirement system, the CDB control centre will simply ship the order, and any member of the family should be able to pick it up.
 - If the family members had previously configured a password requirement system, the CDB control centre will have to issue and send a password to the designated person, so that only that member of the family could pick up the order.
 - If the order required authentication, the CDB control centre should issue an SMS or e-mail - whatever had been previously stipulated by the recipient - revealing the password and stating that the order at that moment was already at the client's disposal. This should happen both for private CDBs and for public CDBs:
- In the case of a private CDB, when the client arrives at

home, he or she should simply have to insert his password and open the CDB door.

- In the case of a public CDB, the client should go to his residence group of lockers, and after finding a free “locker”, the recipient will have to insert the order number or his/her name, at which point the system will ask for his or her password. If the password is entered correctly, the screen will inform the person that his or her delivery should be there in less than one minute. The system should give the order to the LNS warehouse and the delivery should be immediately dispatched and placed in a wagon-box for its quick and final journey. A red light at the top of the CBD locker will flash, indicating that the equipment is in operation and that no other person should use it. Finally, a green light will appear and an indicating sound will be heard notifying the recipient to pick up his or her delivery¹¹⁰.

Revolutionary change in the consumer's life - importance of the LNS

It is important to emphasise that the CDB system should be able to deliver any type of merchandise, not only internet item deliveries, but also any type of food, from a simple yogurt to a fully prepared gourmet dinner.

It should be the local neighbourhood storehouse (LNS) - the Local Community shared warehouse - that will supply the most frequently needed groceries and fresh produce, including

¹¹⁰ *Alternatively, these public CDB's may be equipped with a delivery storage system, which should retain every delivery using one locker of goods, something similar to an aisle with pigeonholes. Each order should be saved in a locker and a user ought to enter a password to open the corresponding locker door.*

bread, milk, yogurt and simple meals. Whenever the client wants to do his or her monthly extended shopping, he or she could also use the CDB service, though in this case the person will be better off placing the order through a hypermarket website since the LNS will not be prepared to furnish an extended line of products. The client should be allowed to indicate a delivery time in order to be at home to receive the CDB delivery.

This way, not only goods will be delivered, but also, and most importantly, this system should allow services to be provided. In fact, the CDB approach is for more than just simple delivery of goods. As each residence will be linked to its LNS, the residence should benefit from all existing community facilities, including storage supply space, microwave heating systems, industrial fridges, industrial laundry machines and industrial dishwashers, in order to meet all neighbourhood customer requests.

Thus, the CDB concept could bring about an added benefit, the possibility of doing away with all household kitchen equipment, as people may start using their LNS industrial equipment.

In fact, the traditional kitchen that for over a century imposed its presence may no longer be needed, as people could start putting their dirty dishes in the appropriate box sink inside their wagon-box. Then, these dirty dishes will be delivered to an industrial dishwashing centre at their LNS. When the dishes are returned, there could be two pre-configured options:

- The client could receive the exact same dishes that he or she sent out to be washed, and in this case, may have to wait some time for them to be washed.
- Alternatively, and if all the neighbours agreed upon

using common standard types of dishes, it could be possible for the client to receive almost immediately the same quantity and identical types of cleaned tableware that he or she had sent out to be washed; this scenario could have the obvious advantage of allowing for rapid delivery, but it may only work if the majority of local citizens agree on this scenario.

Other services could be provided. Imagine a client who wants to wash special, expensive tableware. In this case, the person should inform his LNS via the internet, and all the dishes should be carefully washed by hand, although this service may incur an extra fee per piece.

The same logic could be applied to a client's dirty clothes. The person could simply have to place his or her dirty clothes inside a wagon-box and send them to the LNS. The process may take a week, especially if the client also requests that the clothes be ironed.

The family fridge concept may also become obsolete because clients could choose the option of a remote fridge service and have all of their ordered groceries and food stored in the LNS rented refrigerated space. Therefore, whenever they want to eat a yogurt, for instance, it will immediately be delivered.

For all these reasons, the CDB system and additional LNS services could potentially make all traditional kitchen equipment obsolete. However, this should only be an option, as every client will obviously have the right to choose whether he or she wants to own a traditional kitchen.

The same fate may be in store for stoves and microwave equipment, as food could easily be ordered online from any online restaurant supplier and delivered very quickly through

the CDB system, kept hot in an enclosed special package. The sky is the limit and it is not difficult to imagine certain restaurants providing special services. For example, the client may send his favourite recipes, which should be strictly followed in order to achieve the intended final result, although this option may obviously come at a higher cost.

This cooking service may be provided by the LNS - it could be a business option made by the local Sub-Concessionary Company that manages it. The pricing and the services included in the flat rate fee could also be a commercial business decision.

Each LNS could be run by a Sub-Concessionary Company chosen in an RFP organised by the Concessionary Company that manages the Local Community. Each Local Community could have more than one LNS, depending on the size of the Local Community.

The advantages of this model

The advantages of this model are as follows:

- All kinds of goods could be delivered almost immediately, which could conclude the electronic transaction cycle and correspond to a new paradigm and new business opportunities.
- The client could reduce his investment in kitchen equipment, when first buying his home.
- The client could reduce his maintenance costs, expenses and electricity bill without all of this kitchen equipment.
- The client could spend less personal time doing annoying tasks and have more time for leisure and

family activities, without spending any time in transport. This is obviously a question of convenience.

- The cost each household may incur for these services could eventually be less than the total amount that the household could pay using the traditional model. This is because there could be industrial type equipment involved and all neighbours could share the costs.
- This could allow companies to come up with a new way to develop their businesses without having too many fixed costs. They could only be required to set up a CDB box connection, an online website, and have the work tools and resources to do business; this may be especially appropriate for Ergonocracy economic-model-type companies, with small, highly flexible skilled units.

7.2 Suggestion for a driverless autonomous vehicles model

Characterisation

Next, a suggestion for a model that is almost ready to be implemented, given today's state of the art. The following technology, apart from some fine-tuning required, will be presented and the framework is the following: each year, all over the world, thousands of people lose their lives in traffic accidents and many more are seriously injured.

This has led to an increasing trend in restrictions and obligations for drivers. This is in contrast to the spirit of Ergonocracy, as it sometimes seems that these citizens are treated as if they were criminals or second-class citizens. Among these measures included are police roadblocks, the

prohibition of alcoholic beverages, the compulsory use of safety-belts, the prohibition of talking on mobile phones while driving, etc.

The reasons for these measures are understandable, as these actions are seen as well-meaning attempts to try to reduce the number of accidents, although the results achieved are negligible, proof that this problem is not being effectively handled.

Once again, there is a conflict of interest, as we have to accept that each person's freedom must be curtailed following the principle that to exercise his or her right to freedom, an individual may end up sacrificing other people's rights.

Of course it is understood that each person has the right to own his or her own vehicle and that it is a shame so many people have to pay a huge price due to other people's mistakes or irresponsibility, but when observed in a wider context, one may ask: is this a reality that cannot be changed? Can't anything be done to change this state of affairs?

The answer is: yes. Now, something can be done to change this, as we live in an era where technology is almost prepared to solve this problem.

The final aim

So, the final aim is to achieve a set of three simultaneous objectives:

- Allow people to keep owning their own private vehicles so that they can travel wherever they want to.
- Abolish the existing restrictions on drivers' freedoms.
- Reduce the number of or put an end to car accidents.

How to solve this problem

As stated above, we are fortunate enough to live in an era where technology allows us to solve most problems, as long as there is the (political) will to turn words into actions. The solution to this problem should be in the use of automated self-driving cars (robotic vehicles or autonomous vehicles). An automated self-driving car is a vehicle equipped with an autopilot system, one that is capable of traveling from one point to another without the aid of a driver. Therefore the “driver” will instead be a passenger, as he or she will only have to indicate a pre-set destination and the vehicle itself will do the rest.

This is not science fiction, as half a dozen prototype projects have already been successfully carried out around the world in very different sectors, including the military and transport sectors. However, the final goal of safe door-to-door transportation in arbitrary environments has not yet been achieved¹¹¹.

Thus, fully automated driving is not yet available, although some projects are already very close to achieving this goal. More investment is needed in these projects in order to obtain the intended final result. For this to happen, there should have to emerge the necessary political will. Of course, Proponents of Ergonocracy should be willing to support and finance these types of projects.

This chapter deals with the belief that this goal is possible to achieve in the short or medium term. The purpose of this chapter is not to discuss technical scenarios, but essentially to

¹¹¹ *Author's note: More details can be seen at the following Wikipedia link: http://en.wikipedia.org/wiki/Driverless_car#Fully_autonomous.*

define the overall model and general approach once the technical part is resolved. Therefore, the question focuses on “what?” instead of “how?”

This way, it should be possible to reduce the number of accidents and all citizens’ rights should be respected, including those of drivers. Also, even people who don't have a driver's license, may be able to use these automated cars.

Another advantage will be that car passengers could make the most of their time. They could work on their laptops or just enjoy a movie, for example.

System requirements

Regardless of the type of system that is implemented, it is likely that the system will require most public roads to be equipped with proper signalling mechanisms in order for the car’s detection equipment to register all the road signs.

Also, there will have to be a central control system to coordinate all motor vehicle movements, communicating with each vehicle using a mobile data communication 3G. The mechanism used to determine the vehicle's path, will also likely use global GPS technology that many people already have in their vehicles or mobile phones today.

All of these technical processes and standards will have to be managed and provided by the concessionary company responsible for Public Sector Economic support, in other words by its Sub-Concessionary Company responsible for “Maintenance of Public structures”.

This system ought to have to take into account all traffic rules and signalling, giving priority to the vehicles according to the existing traffic rules. And it should also choose alternative paths in the case of accidents or closed roads.

With only one system controlling traffic, car accidents should cease, except for cases of mechanical failure.

Types of automated self-driving cars

There ought to be two types of automated self-driving cars, depending upon whether or not their owners were private or public:

- Private automated self-driving vehicles belonging to a citizen or to a company. These cars will only be able to transport identified and previously authorised individuals and will be dual mode vehicles:
 - o Centralised Locomotion Mode: These vehicles will usually be automatically driven by the control centre system, after the passenger specified the final destination; this situation was discussed in previous chapters; each car owner could use his or her car in the same way that the person had always done in the past, except that he or she will simply not be able to drive it. This has many advantages, such as being able to “tell” your car to go pick someone up at a certain place or order your car to go and park itself in a less crowded area, thus avoiding the usual hassle of having to look for a parking spot. Afterwards, a simple mobile communication to the car should make it return to pick you up.
 - o Driver Locomotion Mode: As an exception, these vehicles could be driven by their owners in certain places and situations, such as authorised private open spaces, race courses, mechanical shops, etc.; whenever a driver tries to drive an automated self-driving car, the vehicle’s computer will confirm the

car's geographical GPS position in order to determine whether the place in question is appropriate for private driving or whether any special authorisation has been issued. If not, the driver will not be permitted to drive the vehicle and all manual car commands will be shut down automatically.

- Public automated self-driving vehicles belonging to a transport company or to the Local Community should be available for any citizen. These vehicles should function as “self-driving taxi” or “self-driving buses”. This transportation method will be discussed in detail in the following chapter.

7.3 Public automated self-driving vehicles

Why would citizens prefer public transportation cars?

Those citizens who opt for the second option - public automated self-driving vehicles - may do so because they do not want to buy a car, or even if they own one, they may still decide to use this kind of transportation.

As to be seen later, with this model many people could opt to use public automated self-driving vehicles to save money on the cost of purchasing and maintaining a car. At the same time, they will receive a level of service similar to that what they may receive with their own car. In fact, someone who has to go somewhere could simply make a request by internet or by phone and, in less than five minutes, his or her transport should be waiting.

Types of public transport:

The following transport types will be available:

- Transport type A: Public air transport “heli-taxi”, which will obviously be expensive; clients should be recommended Type A transport if their destination is remote and inaccessible, or if they are going to places where, for any reason, there is severe traffic congestion.
- Transport type B: Public land transport, which could be used by a maximum of six passengers, with automated self-driving buses; this transport could be shared with other passengers or be used alone by special request.
- Transport type C: Public collective land transport, which could be used by fifteen to thirty passengers, with automated self-driving vehicles that should have the advantage of being a low-cost service.

The last two types of transport, which will likely be the most commonly used, should be handled by the same control system referred to in the previous chapter. It is the same system that will control the movement of privately owned cars.

The Central control system and how it works

This system will have to monitor all public vehicles, all clients who have requested transport and all requested destinations. Whenever a user requests a transport service, the central system should have to determine the most suitable vehicle to send to each location. For this to happen, it should use a predetermined decision matrix formula and combine two distinct principles:

- The principle of minimising the vehicle's path length, defining a directional vector for each vehicle.

- The Principle of FIFO - First In First Out (in order to minimise each client's waiting time).

The client's submitted request will be communicated to the central control system on the internet or by phone using IVR (Interactive Voice Response) technology, where he or she could be asked the following information:

- The client's location¹¹²; there will be no bus stops, as the concept is that these vehicles should pick up the client wherever he or she happens to be.
- The client's destination.
- The type of transport that the client requires.
- If there is any intention of exclusivity, (this option should only be valid for Type A or B transport) - usually people should agree to share a ride and thus save some money, as long as they are not in a rush.
- The urgency of the request.

At this point the client should immediately be informed of the car's estimated time of arrival and its identification (license plate number). If the waiting time is longer than three minutes, the system should automatically suggest another form of transport. For example, if the user has requested a Type B transport and there is a Type C transport available in the area, provided that the final destination matched that which is requested by the user, the system could recommend the use of a Type C transport.

Of course, the average Type C transport will take longer

¹¹²*If the user owns a mobile phone equipped with a GPS system (or similar system), it should not be necessary to mention where the user is, as the system should automatically recognise the geographic coordinates of this location.*

than Type B transport because a bus will have to stop along the way to let each passenger out, so there could be small deviations from the principal directional vector. However, the cost should be much lower, so it will be up to the individual to decide.

In short, the central control system will have to monitor all requests and try to assign the most suitable vehicle for each case. It should always focus on optimising the overall journey, while minimising deviations and reducing each user's waiting time. Also, it should take into account the urgency of the requests of certain clients and any potential road or traffic constraints. Traffic and road information could be obtained from a system-wide video surveillance system.

Types of monthly passes:

Users could choose to pay for each requested service or to acquire a frequent user monthly type "pass".

As is the case in any transportation system, there should be several types of passes available to satisfy the demand of each market segment with all different types of combinations. The following are some possibilities:

- Transport type A monthly passes with unlimited trips.
- Transport type B monthly passes with unlimited trips.
- Transport type C monthly passes with unlimited trips.
- Transport type A and B monthly passes with unlimited trips.
- Transport type A and C monthly passes with unlimited trips.
- Transport type B and C monthly passes with unlimited

trips.

- Transport type A, B and C monthly passes with unlimited trips.

Each of these passes should include two urgent requests per month.

Other types of passes could be created, such as one that includes a limited number of trips per month.

The advantages of this model

The advantages of this model are as follows:

- Road safety: This system should reduce the likelihood of accidents, which could only occur in a few rare cases of mechanical failure.
- Reduced risk of conflicts: This system should help curb the occurrence of road conflicts, which often end tragically.
- Comfort and ease: People should benefit from a level of service similar to that of having their own vehicle without the usual disadvantages, such as having to find a place to park, having to spend money at parking meters, being subjected to acts of vandalism, etc.
- Freedom: Everyone could enjoy these transport services without limiting their rights and without endangering the freedom of others.
- Crime deterrent: Vehicles will no longer be stolen - self-driving vehicles could be remotely blocked if criminal activity were suspected.
- Savings: People who decide to use public transport

services, instead of buying a car, could save a lot of money: the initial investment in the car. Also, they should not need to worry about the car's inevitable devaluation and ought not to have the expenses related to the vehicle's maintenance, etc.

8. Gradual transition to Ergonocracy

8.1 Problems related with the implementation of an Ergonocracy Regime

One of the aims of Ergonocracy is to provide all citizens with equal political intervention power and to create one single class of workers who are simultaneously company owners.

Total equality is impossible to achieve, but it is maintained that it is feasible to create a society where there is only one social single working class, which will simultaneously aggregate capital and labour.

The road to Ergonocracy is not an easy one, and along the way there is always the risk of excluding certain groups of less fortunate people. This is why it is especially important to ensure that everyone has an opportunity to participate. Although young people will probably constitute the frontline, Ergonocracy will also involve the elderly and make the most of the accumulated experience of all senior citizens. This can be seen, for example, in the Arbitral Council, whose members will have to be at least fifty-five years old. Also, in economic terms, the figure of the investor partner perfectly fits the profile of a senior citizen. This role is less operational, although the person is expected to strategically intervene. In this way, the older, more experienced members of society can use their acquired knowledge and wisdom while at the same time living a less stressful life with free time to devote to leisure and rest.

One important principle is that only those things that are known for certain to improve people's lives, should be changed. If the benefit of a given measure is questionable, this

means that it isn't worth trying to change. Changing things just for the sake of it, is irresponsible and places the whole structure of Ergonocracy at risk.

It is in the context of this last paragraph that the social model advocated by Ergonocracy will operate. In other words, it will initially follow the principles and practices that we see today in the European social model and then evolve according to the resources and decisions of the Global Community's citizens, always taking into account the balance between generations and its corresponding technical analysis.

There is no doubt that in the event that a nation's citizens decide to adopt Ergonocracy, they should follow a gradual timetable divided into phases and designed to give citizens and institutions time to adapt to this new reality. For this reason, in a later chapter the three stages method, a pragmatic method that sets out the most critical steps in the transition process, will be proposed. If necessary, this goal should be achieved by a process of trial and error.

All Ergonocracy models function in harmony with the great issues that influence our times - an aging population, globalisation and new geo-political movements.

In an era where information flows very rapidly, where people have become increasingly more demanding and aware of their rights, where all types of frontiers are being torn down, it makes sense that people take their destinies into their own hands. This is what Ergonocracy is all about.

Some people will see Ergonocracy as a dangerous regime that will kill capitalism; others will see it as the only way that capitalism can survive.

The most important notion is that Ergonocracy will probably be the safest radical way to conserve what is best in

our existing world. In the next chapter we will examine the best strategies to follow in the struggle to apply Ergonocracy.

8.2 Strategies to diffuse and struggle for Ergonocracy - Pre-Ergonocracy

Finding its own path

Each country must find its own path and the most appropriate solutions for implementing Ergonocracy models. In effect, there is no foolproof recipe that can be successfully replicated in all countries, as each nation has its own idiosyncrasies.

First of all, the means that citizens have at their disposal to diffuse and struggle for Ergonocracy's implementation should be looked at. There are certain requirements that may simplify or complicate the introduction of Ergonocracy, among which are the following:

Level of development: Each country that plans to implement Ergonocracy must have previously reached a minimum economic, social and political level. It is a stage at which most of the country's population lives with a certain dignity - in other words, at the level of the average middle-class inhabitant of a typical western community. It will not be possible to implement Ergonocracy or any new model (for this sake) in a country where a substantial part of its population has difficulties in fulfilling their most basic needs; most developed countries already meet the conditions necessary for moving forward with the implementation of Ergonocracy.

Mobilisation of the population: This will drive the development of Ergonocracy and constitute the main force of this movement;

Agreement of the ruling classes: This is the most difficult requisite to secure, since current political leaders will not accept a transition to a system where they will lose a significant part of their power. Most powerful economic leaders will also be expected to disagree with the prospect of having to split a significant capital share of their companies with their employees.

How to overcome opposition by the ruling classes

Ergonocracy's main opponents will be those who could stand to lose if the system is implemented. This crowd includes the wealthy, almost all politicians, friends of the system and everyone who benefits from the status quo and is afraid to lose privileges.

These extremely powerful people will in all probability mock and attack the Ergonocracy project, choosing to ignore the advantages that these models will bring to the majority of their fellow citizens.

However, they will also obviously recognise that Ergonocracy can provide them with opportunities. Former politicians will realise that they can still participate in political life as partners in a Concessionary Company that is competing for public tenders for the management of a Public Function. Furthermore, all economic leaders will understand that they can keep their businesses and their companies, even though they may not like the idea of having to share part of them with their employees.

Politicians should understand that they could still hold influential positions, though not exactly in the same way as they did before. From now on, politicians will have to perform their functions with transparency, which could naturally make their positions less lucrative. They could also lose important

decision-making privileges, as citizens should always have a word to say. They will have to give up the practice of exchanging favours, comply with their programmes and keep their promises. None of these things may they be prepared to do.

Thus, there is no doubt that the main enemy of Ergonocracy will be the lobby of powerful politicians followed by the richest corporation's business men. Citizens will have to clearly show these people what they really want. The degree of persuasion citizens will need to use, will vary in proportion to the degree of intensity with which these "leeches" cling to power.

It is important to involve everyone in this process, especially the ruling classes. But how will Proponents of Ergonocracy convince these individuals of the advantages of Ergonocracy? This is a question that should be answered by each country.

One fact that cannot be denied is that these powerful people could potentially be persuaded to embrace Ergonocracy, if they were made to realise that it is the lesser of two evils, the greater evil being none other than fear. What do privileged people fear most? The answer is simple. Powerful people fear losing their power and rich people fear losing their money.

It is common knowledge that in times of severe social unrest, such as those currently affecting Greece, Ireland, Portugal and other European countries, the future is highly uncertain and opens up dangerous avenues, notably the possibility of autocracies or even chaos. It is in this context that Ergonocracy should be viewed by all ruling classes as the least of all evils. Even though they will lose part of their power and money, they will not lose all of it. They will keep competing in the race and not have to fear for their safety and well-being.

Of course, in order to reach a point where Ergonocracy may be viewed by the powerful as a solution, social instability must reach a high level.

Therefore, there is no doubt that ordinary citizens will have to strive to ultimately create the conditions necessary for the implementation of Ergonocracy.

Ergonocracy should not be implemented by force

The undeniable difficulty in obtaining the consent of ruling echelons may lead many citizens to pose the following question: Can Ergonocracy be implemented by force, particularly through a violent revolution? The answer is unmistakably negative.

If an “Ergonocracy” revolution did occur, existing representative democratic regimes may end, but in their place we could have something that could not be called Ergonocracy. This is due to the fact that a regime imposed by force also has to defend itself by force and will consequently not be in a position to implement a culture of dialogue, transparency and negotiation, which are fundamental Ergonocracy principles.

Thus, Ergonocracy should have nothing to do with future regimes imposed by force in which the will of some citizens supplant the rights of others.

What is the way?

Gandhi, Martin Luther King and Nelson Mandela have walked this road and have prevailed. In the end, everyone realised that their ideas had value and these men were able to gain widespread respect for their moral superiority. They showed us the way through passive resistance. Proponents of Ergonocracy must learn to be patient and to plant seeds

everyday thinking ahead to the future harvest they will reap. Next, four basic phases in the process of developing the conditions in which Ergonocracy can be effectively implemented will be presented:

First Phase

This process will begin by raising social awareness, work that each Ergonocracy follower will have to perform; followers will need to take the initiative to inform, involve, and mobilise their circle of friends, acquaintances and family members in an effort to generate an ever expanding wave of support.

This may include organising meetings and conferences to discuss practical Ergonocracy issues in which everyone is invited to participate. The internet should be viewed as the most important resource for disseminating these new ideas, with people participating in forums, blogs, social networks, newsletters, emailing, etc.

Simultaneously, a committee responsible for creating an internet platform should be elected to work in a very similar way to the previously discussed Community Web Portal. After registering, everyone will not only be able to vote, but also present his or her specific ideas, proposals or complaints regarding the management of each Public Function. These ideas could then be perfected by working groups within the community, who could present them as bills to be voted on in parliament, if possible, or disseminate them via existing political parties.

This internet platform could initially follow a parliamentary agenda, putting up for member voting the same proposals that a parliament could vote on. All interested citizens will be able to participate and vote at the polls. At a later point, the internet platform could start to be seen as a statistical poll hub, as it will

be presenting results a few hours before parties voted on laws in parliament.

Citizens could then compare the results of this sample popular vote with actual parliamentary decisions. There could most likely be huge discrepancies sometimes.

If this mission is accomplished and if an increasing number of citizens starts to join the internet platform so they can vote (each citizen, one vote), Ergonocracy will be achieving two important goals:

- To obtain an honest, efficient and inexpensive way of publicising Ergonocracy models.
- To encourage the use of the internet platform as a reference for all parties, which should achieve a huge victory: the power to influence.

Second Phase

Soon, the legitimacy of the internet platform will unwillingly be recognised by its more fervent enemies - politicians - and we are talking about certain politicians' interventions, in the Parliament or in the Media, when they refer to and comment on the numbers concerning people's decisions about a certain theme, stated in the Internet Platform, in order to justify and support their own proposals.

At this point, the development of Ergonocracy will proceed into a second phase in which citizens will also be able to suggest their own law proposals, that is, the Internet Platform will start pushing its own political agenda.

When this phase reaches its cruising speed, a significant part of the population will realise how inept their parliaments are. Awareness of the need for change will be strengthened and, at

the same time, the natural tendency to reject something that is untested will start to fade. This is the moment to propose the widespread implementation of Ergonocracy models.

Third Phase

This is when the third phase should begin, which aims to isolate politicians and offer them a deadline of four to five years for the beginning of the scheme for redeveloping the political system along Ergonocracy lines. It is important to give politicians enough time, as this widely increases the chances that they will accept the change. They will still have the advantage of benefiting from their traditional privileges for a period of time that is long enough to allow them to reorganise their lives and for many, to ensure a golden retirement, the primary goal of most politicians. As an added incentive, they will also be remembered in history as the ones who facilitated this change.

Fourth Phase

But what if politicians still resist and continue to cling firmly to representative democratic power?

In this case, citizens should step up their fight, though they should never resort to the use of violence, as violence will be then used by politicians to discredit the Ergonocracy movement. What are, then, the methods that we can suggest?

- First, the boycotting of all representative elections, with the exception of referendums. On their ballots, citizens should write the symbol of the Ergonocracy movement. If a vast majority of citizens do this, elected governments will be forced to learn the necessary political lesson as their support base and legitimacy could severely diminish.

- Secondly, an alternative strategy is the creation of political movements and Ergonocracy associations that participate in elections with programmes devoted exclusively to the implementation of Ergonocracy, though this form of struggle carries the risk that leaders may become accustomed to the generosity of representative democracy system and may feel tempted to betray the cause.
- Thirdly, another strategy could be the scheduling of successive passive demonstrations, where citizens could have the opportunity to demonstrate their desire for change. As already mentioned, a long journey is needed to bring a nation over to the side of reason and justice; this should be achieved in a context of peace and dialogue.

The driver to implement Ergonocracy must not only be political initiatives. Citizens who so desire can start other types of initiatives, as follows:

- In economic terms, citizens can begin to create companies that follow the rules explained in the Ergonocracy economic model. All success stories that arise from these types of initiatives could serve as testimony of the viability of the Ergonocracy economic model.
- On the social side, new condominiums can be created, characterised by the fact that residents should have common interests and characteristics; housing titles could also be a business opportunity created as a type of property transaction.

Let's not forget, however, that fear is the key for both parties. Ruling groups will use fear to intimidate Mr. and Mrs.

Average Citizen and try to convince them that Ergonocracy is a terrible thing, a fearful unknown that will lead to chaos. However, in the end it is fear that will convince these ruling groups that Ergonocracy is the least of many evils. Fear needn't be instilled. It will be the decadent systems of capitalism and representative democracy that will end up creating strong imbalances that will generate a powerful majority of natural opposition - and when this angry mob strikes, the ones who will lose the most will be the ones who have the most to lose. For these ruling groups, a simple phrase may make them think about their position: Ergonocracy is better than angry mobs on the streets ...

What to do after Ergonocracy begins to be implemented?

Ergonocracy will have to be formally implemented through a referendum in which a qualified majority of citizens has to decide if they want to proceed with this change of regime. This majority should be substantial in order to give political strength to the beginning stages of this change.

The referendum must be preceded by a long period of enlightenment and public debate. After the referendum, citizens will have to debate and choose the most appropriate types of models, with time frames and final objectives to be achieved. Simultaneously, the existing constitution will have to be formally abandoned.

In the next chapter the various phases of Ergonocracy implementation will be observed.

8.3 The three stage method - Pos-Ergonocracy

The three stage method relates only to the previously referred to Ergonocracy core models and may be defined as a

pragmatic method that specifies the most critical steps necessary to change present reality into desired destiny - a fully implemented Ergonocracy regime.

Once again it is emphasised that this method should not be seen as a dogmatic guide, rather as a rough indicator which essentially aims to outline the most obvious steps for the gradual implementation of Ergonocracy's various components.

With this three stage method, a gradual adaptation of all social, political and economical structures will be delineated, with three precise time frames for each phase. The final aim is to fully implement an Ergonocracy regime at the end of a fifteen year period.

For ease of understanding, $t0$ will be defined as the moment at which the majority of the country's citizens have decided to implement Ergonocracy and the successive phases as $t0 + n$, where n is the number of years considered necessary to put the phase into practice. At each step the requirements to be fulfilled before the country is able to advance to the next step will also be specified.

- **First stage - to be implemented in 5 years ($t0 + 5$)**

During this first stage the country will still keep its power institutions, which could function in the same way as they always did. The main goal of this first phase is to prepare citizens for Ergonocracy changes, and will be reflected in the following elements:

- Legislative power:
 - Creation of the Community Web Portal.
 - Beginning implementation of online referendum via the Community Web Portal for all citizens who

wish to participate, although these procedures will not be binding.

- Executive power:
 - Setting an RFP tender to establish one concession for choosing one company that will assume one chosen public function, to serve as an example and “case study” in order to settle a *modus operandi*.
 - Introduction of the principle of transparency - all public processes should have to be made publicly available to all citizens.
- Judicial power and security:
 - All court audiences would start to be recorded and publicly disseminated via the Community Web Portal.
 - Defining maximum time limits for scheduling the beginning and the end of trials; at the same time, special task forces should be created to judge all backlogged cases as soon as possible.
- Social requisites for Local Communities:
 - Creation of a specific channel in the Community Web Portal to produce the conditions and incentives designed to guide certain neighbourhoods towards focusing on specific activities.
- Economic stipulations:
 - Implementing rules concerning shares and statutes for all new companies that are to be created. In accordance with the previous chapter “Examples of different ways to convert SME’s”, these rules should apply to all existing small enterprises and to

all companies of up to twenty employees.

- o Organisation of training courses to help companies and employees during the adjustment process.
- o All larger companies at the end of this period should publish a conversion plan, setting out their conversion strategy, the number of new company groups to be created and the final number of members that each company will have at the end.
- o In macroeconomic terms, insert the rules to institute tight control over all public budgets; politicians should be criminally responsible in case of non-compliance.

- **Second stage - to last 5 years after the 1st phase (*t0 + 10*)**

This phase will start immediately after the 1st phase ends and is designed to last 5 years. This stage will involve more profound changes, although the country will still keep some of its conventional power institutions that could function the same way they always did. This will be a transition phase in which both traditional structures and Ergonocracy organisations should work together simultaneously.

- Legislative power:
 - o All general (transversal) laws voted on by citizens in Community Web Portal referendums will start to be put into effect. However, sectoral laws should still be decided by the existing parliament.
 - o Set a rule stipulating that a certain previously determined minimum number of citizens should be entitled to put up for referendum vote any law

proposal they wish.

- Executive power:
 - Set all necessary RFP tenders to establish concessions for the choosing of companies that will assume all Public Functions.
 - At this stage the established government should continue to exist, but only to assist and guide these Concessionary Companies; any disagreements will be decided by the government.
- Judicial power and security:
 - During this stage a mixed model will exist; the separation of civilian courts and criminal courts will be implemented.
 - Have all necessary RFP tenders establish concessions to choose the companies that will assume the functions of managing all civil courts.
 - Create and acquire all means needed for the functioning of the Ergonocracy security model and rigorously test this model.
 - Redesign the prison system in order to allow the separation of convicted criminals according to crime type into four separate wards and start the testing phase for all programmes designed for therapy and rehabilitation processes;
- Social requisites for Local Communities:
 - Support all local communities of common interest whose citizens have decided by majority to operate under this statute.
- Economic stipulations:

- o Implementing of rules concerning shares and statutes to apply to all companies of up to two hundred workers.
- o Publicly discuss the conversion plans for medium-sized companies of up to five hundred workers and suggest reformulations if necessary.
- o Eliminate money in its physical form (cash), relegating money to its digital version.

● **Third phase - will last 5 years after the second phase ($t_0 + 15$)**

By the end of the first year of this phase, all traditional power structures should be finally erased and the four remaining years should serve to test the new structures, to make adaptations and address all weaknesses:

- Creation of the Arbitral Council.
- Legislative power:
 - o Abolition of the parliament.
 - o All laws, general and sectoral, voted on by citizens via the Community Web Portal referendums, should start to take effect.
- Executive power:
 - o Abolition of the government, leaving each Concessionary Company the task of assuming its respective Public Function on its own.
- Judicial power and security:
 - o Implementation of the Ergonocracy security model in all its facets.

- o Setting of all necessary RFP tenders to establish concessions for choosing the companies that will assume the functions of managing all criminal courts.
- o Creation of the “prison of no return”.
- Social requisites for Local Communities:
 - o Give autonomy to all local communities of common interest to create their own laws and rules of social coexistence.
 - o All Local Communities should be invited to submit candidates to the Arbitral Council.
- Economic stipulations:
 - o Implement the rules concerning shares and statutes to apply to all companies, including larger companies.
 - o Support the most complicated cases and monitor all possible exceptions, which should always have to be validated by referendum.
 - o Gradually implement all features specified in the Macroeconomy Ergonocracy model.

At all stages there should be a monitoring committee for each component mandated to identify all points of failure in these models. This committee should also be responsible for recommending changes.

At the end of the third stage, the Ergonocracy model should be fully operational and assimilated by the majority of its citizens and stakeholders. However, it must be noted that the spirit of this regime implies ongoing development, always with the aim of improving and adapting human surroundings to meet people’s needs.

8.4 Traditional political structures

The first and second phases of the three stage method will probably be the easiest to implement, with both regimes working simultaneously and the Community Web Portal partially substituting parliament. Many countries may choose to postpone the decision to move to the third phase, which is clearly more radical. During these first and second temporary stages, the adverse effects of traditional government action can be minimised if citizens regularly have the opportunity to give their opinions about each minister's performance. This kind of plebiscite could be extremely effective, as it will be binding and could lead to the replacement of weaker ministers in certain predefined circumstances.

However, there is no doubt that while there is a traditional democratic government, there will always be occurrences of corruption, power abuse and general management that does not coincide with citizens' interests.

The cornerstone underlying all processes of democratic development has always been the principle of separation of power. In practice, however, governments, or the executive power, tend to manipulate legislative power, as we can see in the following:

- Most congressmen and members of parliament are subjected to voting discipline; in other words, they are forced to vote according to their party's directives.
- Many bills and laws are subjected to changes due to negotiation concessions that have to be made in order to gain majority support; these modifications often result in the whole law becoming inconsistent or difficult to interpret.

- Campaign promises are actually kept only by coincidence. Besides, many times these promises and also the most popular measures are observed only in the final period of governance, i.e. on the eve of new elections.

It is for all of these and other reasons that traditional political structures, including parliament, the president and all governmental positions should be dismantled during the third stage of the three stage method.

Of course, parties could continue to exist. If they so desire, they could restructure and form political associations that could continue to hold influence in the public life of their countries. Some of these politicians may participate in Public Function Concessionary or Sub-concessionary Companies, while others may become mass media analysts, “opinion makers” or act as proxy voting representatives.

In fact, these Public Function Concessionary Companies should be composed of members with many different profiles and could probably be constituted by a combination of unemployed politicians, all kinds of technocrats and a new group of ambitious young men.

8.5 Sustainability

For the last decade, scientists and climatologists have been telling us that our survival is at risk. Therefore a key issue in the world today is the sustainability of our planet. However, it is important to understand that our planet is irremediably doomed in the very long run. It is simply a matter of time. If we survive all biological threats, our capacity to destroy

ourselves and all geological and meteor impact risks¹¹³, there is one deadline that is unavoidable: our sun has an expiry date. We still have a few million years to go, but do we dare ask if our species can win out against the sun?

The obvious answer is that it depends on whether or not, by that time, we have mastered inter-galactic travel. When we do, we may start colonising other planets in a similar way as first humans did when they left Africa and migrated north, west and east.

This is the only chance for our species in the very long run.

This being the case, environmental and over-population issues simply exert pressure on an already doomed planet. However, these issues are still very important in the medium term, because our planet must last long enough to develop this and other travel technologies.

However important environmental and climate issues may be, if we expect people to care for the environment just because it is the right thing to do, the results will be unfortunate. Sure, there are certain activities that many people will embrace, such as recycling, but all the issues that involve financial decisions will mostly be decided based on economic benefit, especially in times of crisis.

This is why the only way to make an ecological option attractive to the majority of the population is to show that the best ecological option is also the cheapest one. The only way to ensure this is to apply mechanisms in the form of taxes and incentives, which will have to be supported by the state or by the Global Community, that is, by all of us. For example, if a family intends to buy a certain model of car and if they are

¹¹³*There are other risks, such as the earth losing rotation speed, etc.*

comparing cars with two different engines, one gasoline and the other electric, they will consider autonomy, cost per kilometer, maintenance costs, engine life expectancy, availability of refuel or recharge, recharge time, etc. One way to make people choose electric cars is to raise taxes on gasoline models and lower taxes on electric models - or choose to finance the electrical recharge costs, or both.

Therefore, this issue does not really depend on the type of model - Ergonocracy or Representative Democracy - as it is all a question of how much we are willing to spend in order to reduce environmental risks and climate change.

8.6 Ergonocracy final purpose

There is no specific Ergonocracy final purpose. In effect, Ergonocracy's main goal is to propose a system that will afford most human beings better living conditions.

Ergonocracy models merely present themselves as a working base, a starting point for the discussion that all countries will need to have. Every case is different and the process of implementing Ergonocracy will differ from nation to nation.

Once successfully applied in one country, the concept of Ergonocracy will probably tend to spread to others. This is because Ergonocracy is characterised by universality and an unlimited spirit without borders or legacies from the past when governments used borders to close off their ruling backyards. All countries that require assistance and information on this process should be helped and informed so that they can learn from the mistakes that the first Ergonocracy countries will inevitably make.

It is expected that once citizens widely take their destiny

into their own hands, all borders will likely be abolished so a truly Global Community can be formed. The elimination of all borders and the possibility of free global interaction will benefit all inhabitants of the planet.

Before being dealt with at the federation level, all issues should be voted on in each country's Global Community. This Global Community could be a federation or a political union, able to intervene only in common global matters. Imbedded in its philosophy should be a deep respect for cultural differences and idiosyncrasies. Some of these issues could be those already addressed by the United Nations, such as cooperation in case of a disaster, poverty and refugee situations, conflicts and peace efforts, though the scope could be extended to other matters that are handled through other entities, namely, economic affairs, customs and taxes, fishing quotas, regulation of common goods, sustainability, etc.

Gradually, once all of the most serious problems have been solved, many other issues can be studied, such as the creation of a common currency and free global movement of people and goods.

At the end of the process decisions made by the Global Community could be voted on directly by all citizens using an integrated platform. Precautions should be taken so that the most populous countries do not impose their will over smaller countries.

This movement of global integration should seek to eliminate the concept of leaders and borders and enhance the advantages of a single simplified set of laws, a unified digital currency and a single army, common to all countries around the world, as John Lennon wrote in his song "Imagine"¹¹⁴.

¹¹⁴ *"Imagine there's no countries, it isn't hard to do*

And of course, on the day when there is only one army in the world, this army can bury its weapons, because as far as we know, aliens pose no military risk to humans.

*No need to kill or die for and no religions too
Imagine all the people
Living life in peace.”*

9. The Ergonotopy - Utopian Stage

9.1 Ergonotopy has nothing to do with Ergonocracy

It is critical to emphasise that Ergonotopy has nothing to do with Ergonocracy. Ergonotopy is an imaginary, utopian world, while Ergonocracy models are practical, objective and ready to be implemented in planned phases whenever citizens decide to do so.

As stated before, Ergonocracy has no specific final purpose. Although Ergonotopy may be understood as a logical, long term continuation of Ergonocracy trends, it is not its final purpose. Therefore, a practical approach to the implementation of Ergonotopy, is not presented, especially because it requires resources and technologies that may never be available, making it impossible to estimate how long it will take to reach this level.

Every philosophic system has its own utopian counterpoint and Ergonocracy is no exception.

If conditions for the implementation of Ergonocracy ever exist, the only recommendation is to let it develop, grow and mature over time, as one of Ergonocracy's aims is to prepare political, social, economic and technological structures to help to set the conditions for Ergonotopy.

However, it is up to each people's country to decide what the future of Ergonocracy will be. This is what Ergonocracy is all about: allowing people to decide their own destinies instead of entrusting their leaders to do so.

9.2 What is Ergonotopy all about?

Characterisation

Ergonotopy is basically a utopian scenario describing a possible ideal future. It presents a set of utopian goals for humanity's distant future, a time when everything that is bad about human life will have been eliminated.

The key idea is that in a world that will have become highly welcoming to human beings, we will all have present only the best in ourselves. There will no longer be a climate conducive to evil acts or intentions and therefore all rules and restrictions will have ceased to exist.

In order to this utopian scenario to occur, all barriers and negative constraints to human life will have to be eliminated, such as illness, ageing, death, etc. This will call for a complete change of the individual and society along with the development of a set of technical, technological, medical, economic, sociological and individual achievements resulting from bold and daring inventions. Thus, it is highly unlikely that Ergonotopy will ever come to pass.

Concept of social maturity vs. imposed behaviour

For Ergonotopy to occur, human beings will also have to reach a high level of maturity. For the overwhelming majority of people alive today, this level of maturity is almost impossible to achieve, as it involves a sustained and permanent type of maturity which can only sustain itself if individuals, in their daily lives and in their relationships with others, share feelings of peace, security, harmony, humanity and empathy with their peers. It is, thus, a concept of social maturity that requires the elimination of most characteristics that make us

vile and mean, an extremely utopian notion.

Once again, this concept of social maturity is a return to our roots, to the concept of the tribe, to a time when tribal members were the only help and protection that an individual could count on in life - a time, therefore, when strong, solid relationships were forged.

In the systems within which we have been living for the past ten thousand years (post-tribal systems) we observe that our behaviour is usually restricted by a set of social constraints, which have the effect of changing our natural behavioural tendencies. Therefore, we are not able to be ourselves, as we are taught from an early age to behave in a predetermined manner and to use accepted conduct. This is probably why, if we observe our behaviour as a species, we could conclude that we behave much like children, engaging in tantrums, fantasies and irrational fears. Some of us even show a need to be reprimanded so that we will behave properly. Others feel the need to be followers and to trust someone as a leader, so we can feel protected and secure within the community. Furthermore, we note that most people behave within society's defined limits only because they are afraid:

- of being embarrassed by allowing their image to be tarnished.
- that their peers may not like or respect them any more.
- of being punished, of losing certain privileges or jeopardising their positions.
- of being arrested and sentenced to a prison term, if they break the law.

It is in this sense that the concept of social maturity was mentioned: in reality, humans should behave correctly because

it is the right thing to do and not because we are afraid of getting caught or being punished.

Our level of maturity is not a direct result of the amount of time we have been alive. In effect, it is something much deeper that some people naturally have, consisting of a mixture of self-control and a developed sense of identification with others. Some people call these humanitarian feelings; we prefer to call this phenomenon social maturity.

Indeed, Ergonotopy could only be implemented in a social context in which all citizens had this level of social maturity. They should strive to fulfil the objective of maintaining cordial relations with their peers and exhibit a high level of tolerance level towards the actions of others.

Elimination of all laws and judicial castrations

If what is described in the last paragraphs was possible to achieve, laws or rules should no longer be necessary, as citizens will have already achieved a high level of social maturity that could take the pressure off all relationships and minimise most conflicts. Therefore, citizens should tend to be naturally and instinctively responsible, caring and assertive. Thus, judicial castrations should no longer be necessary, undoubtedly the most audacious and utopian goal in Ergonotopy. This would make the ultimate libertarian dream possible.

The ancient Golden Rule

In this context, human beings should put into practice the ancient Golden Rule¹¹⁵ or the ethic of reciprocity principle that

¹¹⁵*The Golden Rule or ethic of reciprocity is a maxim, an ethical code, or a*

states: “*Do unto others as you would have them do unto you*”. The idea should be to turn this concept into a natural, widespread deciding rule that, although never forced, should standardise behaviour and apply to all society from early childhood. In other words, this concept is much the same as the principle of Fraternity¹¹⁶, whose widespread application should be the next natural step after the application of the Golden Rule. All of these ideas are, of course, utopian concepts.

9.3 Barriers that limit human beings

It should be remembered, once again, that Ergonotopy envisions the elimination of all harm and all barriers that are inherent in human life and that contribute to making us unhappy. As previously mentioned, for this Ergonotopy utopian reality to be implemented, if all of these (economic) barriers are eliminated, should mean that a vast set of requirements will be met. These will come about as the result of bold and daring inventions that could help eradicate the following barriers that limit our lives:

- Health and medical barriers: Human beings are fragile, vulnerable to all sorts of diseases and to the ageing

morality, that essentially states either of the following:

- *One should treat others as one would like others to treat oneself (positive form).*
- *One should not treat others in ways that one would not like to be treated (negative/prohibitive form, also called the Silver Rule).*

The Golden Rule is arguably the most essential basis for the modern concept of human rights, in which each individual has a right to just treatment, and a responsibility to ensure justice for others. A key element of the Golden Rule is that a person attempting to live by this rule treats all people with consideration, not just members of his or her in-group. The Golden Rule has its roots in a wide range of world cultures and religions, and is a standard which different cultures use to resolve conflicts.

¹¹⁶*Described in detail in a further chapter.*

process.

- Work barriers: Human beings are forced to work to ensure their survival, most often doing things that they do not like.
- Social barriers: Most human beings feel that they are very low on the social pyramid and suffer from the pressure associated with social climbing.
- Personal barriers: Most human beings are discontented with their achievements, feeling somewhat disillusioned with themselves and their performance.
- Economic barriers: Most human beings feel that they do not possess the resources that they need or dream about and that the system does not allow them the chance to improve.
- Technical barriers: Human beings feel that the world of science is still in its infancy and that their lives could be seriously improved if the pace of research and development were increased.

These barriers impinge on our evolution as human beings and are responsible for our low level of social maturity. It is believed that, once these barriers are destroyed, relationships between humans will eventually become harmonious and people will no longer feel the need to hate or envy other human beings.

Furthermore, if one had the opportunity to see his or her lifespan significantly increase and if the resources at their disposal become increasingly abundant, the trend will be for human beings to gradually achieve an individual and collective conscience - social maturity - that was much more highly developed, leading to a status quo where all acts of malice

could gradually become rare. Only then will it be possible to envision the possibility of implementing Ergonotopy concepts. Ergonotopy describes a type of society where crimes should become unthinkable and where neither laws nor judges will be necessary.

9.4 Actions that should be taken in order to eliminate these barriers

In terms of individuals, it is essential to make human beings less aggressive, less frustrated, less insecure and more identifiable with their fellow human beings. As previously mentioned, the constraints that may be responsible for an individual's anti-social behaviour are the so-called negative externalities, restrictions on individual freedoms, and especially the inequality factor, which can generate feelings of envy and injustice. Furthermore, it should also be considered as important the weaknesses resulting from the fear of pain, death and being left alone without support.

In order to eliminate all these different types of barriers, many technological developments at various levels are required. Below, we present some basic requirements:

- Education should function in a very different way, with a strong focus on each pupil's creativity and self-confidence. On the other hand, pupils should be taught all practical information that is useful for everyday life.
- Major social and economic disparities among social classes may be significantly reduced, or at least conditions should be created so that everyone could feel that they had access to better economic opportunities, provided that they were willing to make the effort. The Ergonocracy Economic Model will be an effective

starting point for accomplishing this goal.

- In technological terms, there should have to be all kinds of incentives for research and development, including special prizes and investment funding in order to be able to accomplish goals in the following areas:

o Medicine:

- There should have to be significant improvement in the healing processes of all diseases that beset humans. As one of the most common human fears is the fear of death, there should be medical advances that allow increased longevity, probably through the application of life extension programmes.

o The economy:

- In terms of energy production, there should have
- to be new ways of producing energy, in simpler, cheaper, and more environmentally friendly ways.
- Potable water: There should have to be simpler and cheaper ways of purifying seawater and better systems of water distribution among countries.
- Food production: There should have to be new ways of producing food, in a simpler, cheaper, and more efficient way. These measures should be in line with corresponding worldwide political decisions regarding the elimination of hunger and extreme poverty around the world. All countries should be partially responsible for

finding a solution to the problem¹¹⁷.

- Industry: The necessary incentives should be put into practice, so that all repetitive unskilled tasks could be performed by machines and robots.

In terms of Social organisation a few concepts will have to change:

- o A healthy society is one wherein everyone from birth has every opportunity for healthy development and sees all others as equals, and can live in communities where neighbours have similar interests.
- o Conditions should be created to eliminate certain “Work barriers” as human beings are forced to work in order to guarantee their survival.

Regarding this last point, w.r.t. “Work barriers”: It is important to emphasise that with the implementation of Ergonotopy, virtually all slave classes should be abolished so that no human being would be condemned to an undesirable life of “forced labour”.

This is what has happened to the overwhelming majority of people throughout history, because the sad reality is that for most human beings, their disadvantaged and undesirable work conditions have always led them to feel extremely dependent on their small salary, the only guarantee of survival for them and their families.

¹¹⁷ *Each year there is a sufficient amount of food production to feed the entire world's population but this doesn't happen because it is not economically attractive for this sector companies to do that. So, these changes should start by turning this a new business opportunity for these companies.*

Thus, according to Ergonotopy, it is crucial to present a solution for those who are prepared to live a more humble life, but one that is free from work. In this case, they should adhere to the statute of “*Mandrions*” which will be described in detail later.

In order for this situation to be sustainable, the economic system will have to be extremely efficient and globally equipped with automated mechanisms.

9.5 The principle of fraternity

Related to some of the previously referred to concepts of social maturity and the Golden Rule, there is another important principle - The Principle of Fraternity. As many people know, it refers to the motto of the French Revolution: “*Freedom, Equality and Fraternity*” which inspired many later regimes, including some representative democratic regimes. Admittedly, it has also inspired the concept of Ergonocracy.

Analysing each one of these three ideas, it is seen that freedom is probably the one that is most widely implemented, although from a philosophical point of view, it cannot be said that today’s regimes strive to take people’s freedom to its full potential.

In most representative democratic countries the principle of equality is only partially respected, in terms of equal rights, regardless of race, creed or gender. At least this is what can be read in constitutions and it is what politicians say. Economically and socially, it is detected that equality has never been either a concern or a purpose, and it is usually associated with an extreme left-wing agenda. However, this should be better appraised, as many recent authors have concluded that countries with a high level of inequality are more likely to

experience difficult crises¹¹⁸.

With regard to the principle of fraternity, it is easy to see that it is the most subjective of the above-mentioned requirements. It is extremely difficult to establish any kind of legislation around this issue. Of course, most countries' constitutions make a point of trying to defend and assist the neediest in their communities, but it must be agreed that this resembles charity more than fraternity. The term fraternity is much stronger and very rarely have there been concrete examples of this.

The truth is that fraternity is an individual voluntary feeling and this is why such a purpose has never been objectively defined. Most regimes and ideologies are directed towards society as a whole. In fact, feelings of fraternity are like those of brotherhood and are thus more altruistic. It is the action of seeing a perfect stranger in a dangerous situation and immediately deciding to help him or her. It is doing the right thing because people like helping their neighbours and not because they have any personal interest in doing so¹¹⁹. For anything like this to happen, each individual needs to really feel as if they identify with those around them.

For all these reasons, the principle of fraternity is one of the cornerstones of Ergonotopy. If there are no rules, then a strong notion of ethics among individuals is needed so that they can control their own behaviour.

¹¹⁸ See *"Inequality, Leverage and Crises"*, Author: Kumhof, Michael; Editor: Ranciere, Romain.

¹¹⁹ Some people say that charity is a selfish act because when someone gives something, it is because he or she wishes to obtain a special type of pleasure, a feeling of being a good or just person. This is subjective, but what matters is the purpose: a good deed is always better than a bad deed.

9.6 Derivative effects of Ergonotopy

Ergonotopy could be considered an era of dignity in which most human beings would be aware of their own actions and willing to take full responsibility for them.

There should be no place for hatred or envy. People should feel that they had time to correct every mistake. Citizens should accept their new semi-eternal status, being aware that it will bring them additional responsibilities, including genuine respect for all living creatures. Society should no longer tolerate any forms of castration, violence, discrimination or torture of any living being on the planet.

In other words, greater freedom necessarily implies greater awareness as well as responsibility.

Throughout such a process, human beings will have to change significantly. It is difficult to foresee all the transformations that may occur. Let us examine a few possible scenarios:

Changes in terms of Eating Habits

It is likely that people with greater awareness and sensibility will tend to understand that what happens in slaughterhouses is neither dignifying for human beings nor the animals they eat. Therefore, it is likely that more people will become vegetarians and thus avoid eating meat.

In fact, people are beginning to realise that livestock farming is a cruel business for all the living beings involved. Although animals may be well treated, the truth is that they live outside their natural habitat and are kept alive only to grow and fatten up in order to be slaughtered. No living being should be allowed to capture and keep another living being against its

will, as it is devoid of dignity for both predator and prey.

This should have additional advantages in terms of public health, for example. Furthermore, this way, we could be abandoning the dynamics of predator vs. prey. The consumption of meat stimulates our predatory instincts, which is something undesirable in a harmonious society. Besides that, at an unconscious level, people should be guaranteeing that in a possible reincarnation - nobody can prove that this does not exist - they should never become a victim of this type of killing.

However, according to Ergonotopy's basic configuration, there should be no prohibitions, so the way to assure this goal, in the first phase, will be to heavily increase taxes on animal-based products.

To mitigate the effects of this restriction, and given the fact that during this period the necessary technology may be obtained, vegetal food that tastes and looks like meat could be produced. Another aspect to take into account will be the definition of each individual's dietary intake in order to guarantee that people get their necessary supply of nutrients.

Changes in terms of human reproduction

In a world where most people could see their life expectancy increase two or three fold, this means that the world population could consequently increase at a much faster rate, creating a sustainability problem in terms of the planet's resources. In a further chapter, two possible solutions to this problem will be analysed.

Changes in terms of money, being linked to energy

Throughout time, humans have evolved with regard to

money and means of exchange. In a simplified way, it can say that there have been six distinct phases:

- First phase: Direct exchange of goods as in the barter system - the very first societies did not possess any method of exchange nor currency.
- Second Phase: Coins that have intrinsic value - currency originated with the creation of a circulating medium of exchange based on units of set amounts, that have a certain value. Originally, money existed in the form of bushels of grain stored in temple granaries in Summer, in ancient Mesopotamia, then Ancient Egypt. At that time, coins had intrinsic value.
- Third Phase: Coins with no intrinsic value. By the late Bronze Age, it is thought that merchants around the Eastern Mediterranean used specifically shaped copper ingots as a means of currency, but this system did not prevail. Only later on, with the recovery of Phoenician trade, did real coins appear. This brought a change in what determined the value, in this case the type of metal as well as the coin's weight: at first silver, then both silver and gold. Metals were mined, weighed and stamped into coins.
- Fourth Phase: Paper money (banknotes - credit money era). In pre-modern China, the need for credit and money to circulate freely led to the introduction of paper money, which by the mid-13th century was an acceptable nationwide currency¹²⁰. In Europe, paper

¹²⁰*At around the same time in the medieval Islamic world, a stable high-value currency (the dinar) was in circulation along with innovations introduced by Muslim economists, traders and merchants, which include the earliest use of credit, cheques, promissory notes, savings accounts, deposits, etc.*

money was first introduced in Sweden in 1661. During this stage, a great number of entities had the ability to coin or print money. There was no control over this process and consequently much instability arose over the value of money.

- Fifth Phase: This is the “legal tender” era, as currencies issued by countries were on some form of gold standard. This step began in the late 18th century with the creation of a central monetary authority that had a virtual monopoly on issuing currency. However, gold and silver still remained in circulation. Currency started to be used as an instrument of policy-making; paper currency was printed and terms were set by which banknotes could be redeemed. By 1900, most industrial nations were on some form of gold standard, with paper banknotes and silver coins in circulation, following Gresham’s Law¹²¹.
- Sixth Phase: Banknotes and Fiat currencies breaking away from the gold standard currency system. One of the last countries to break away from the gold standard was the United States in 1971. A banknote (more commonly known as a paper bill in the United States and Canada) is a type of currency, and commonly considered legal tender in many jurisdictions. Together with coins, banknotes make up the cash form of all money¹²². This is the phase where we find ourselves at

¹²¹ According to Gresham's Law the rule was to keep gold and silver paid, but paying out in notes.

¹²² All fiat money is created out of nothing: out of thin air. It is, however, backed by all - the sum total of - the underlying value systems in an economy, namely sound governance, sound economic policies, sound monetary policies, sound industrial policies, sound commercial policies, sound external policies, sound education, sound legal system, sound law enforcement, sound defence force, sound transport

the beginning of the twenty-first century, where money also exists in digital form. This system is able to hang on because of the confidence that citizens have in it.

As was discussed in a previous chapter, with the implementation of Ergonocracy, it could be the start of a new phase - the Seventh Phase - where money may only exist in its digital form. However, during this stage, currency will not be indexed to any other currency or commodity. It should be much the same as it is now in the Sixth Phase, i.e. it will still depend on the citizen's trust in the system, as money may not have any intrinsic value.

With Ergonotopy, another phase - the Eighth Phase - could be entered where money could continue to exist only in digital form, but should start to have intrinsic value, as monetary units will be directly linked to energy units.

It could be a return to our roots, as in the Second and Fifth Phases, where a currency unit corresponded to something that effectively had value in and of itself and such a unit was not a mere representation of value.

At this stage, it is interesting to note that although money could be virtual, or digital, its value on the other hand should be real, unlike the case of Phase Six, which is exactly the opposite, i.e. money is real (as in paper bills and coins), but its value is merely virtual.

It should be emphasised that this system could help improve people's confidence and trust in the economy, as money will start having a real reserve value represented by energy units. Thus, the amount of money should correlate to the amount of energy available. i.e. each unit of currency should represent a

policies, sound health policies, sound agricultural policies, sound banking policies, sound accounting principles, etc.

fraction of the total potential capacity of energy production in the Global Community during a given period of time, inherently representing a time unit.

As a consequence, the energy sector should have to be owned by the Global Community, this being the only exception, as all other economic sectors will be privately owned.

This model will only become feasible when certain technological means are at our disposal. The most important of these requirements is the ability to have at least one technologically cheap, efficient and clean means of producing electrical energy.

Matter printers and their implications in this model

The Ergonotopy model, explained in the previous chapter, may gain another dimension, which could be an extraordinary human accomplishment, if we can get hold of the long-promised technology that aims to produce final goods directly from energy¹²³. This presents a radical technological revolution in the concept of matter printers¹²⁴.

The concept is simple: just as a text file is created and printed, the idea is that a file could be created with the intended item and the matter printer could produce it.

And more importantly, if this process is ever feasible, the reverse is also true, of course. Thus, the basic and intuitive

¹²³ As Einstein discovered, energy can be obtained if one multiplies mass by the square of the speed of light, this number being 300,000,000 meters per second, that is, $e = mc^2$ which also means that $m = e/C^2$.

¹²⁴ In order to prove that this is not science fiction one example of a 3D printer that anyone can buy in the market, is referred to [is mentioned] - please see the following link: <http://www.solido3d.com/solidoContent.aspx?PageID=31>.

principle is this: money equals energy, which equals matter. Logically, matter (material goods) can be produced by spending either energy or money. Indeed, man can get things by spending energy (if he has the necessary technology) or just by spending money.

With this model, the Global Community will no longer have to raise taxes. It will eliminate the monopoly on the power to produce energy. This is not guaranteed, but with this model it could even be possible to eliminate all taxes, as all energy units (currency) should be allocated to financing all public budgets, although man does not yet have the means to determine if this will be enough to supply all monetary resources.

With any extraordinary need for financing, the Global Community should have two options:

- Increase energy production, in other words, the money in circulation.
- Increase taxes.

The first solution will be better, as long as the monetary system is able to accommodate the extra pressure, in other words, if the economy is able to effectively use the extra energy produced so that the economic system could remain balanced in such a way that either the numerator or the denominator in this ratio could be increased in the same proportion. If this is not likely to occur, the solution will be to increase taxes, as the most important precaution is avoiding the usual consequences in terms of inflation, which usually happens when there is an unreasonable money supply surplus in the economy. Increasing taxes will be equivalent to using the existing monetary resources, without increasing the total monetary currency.

If this is seen in a more philosophical light, time is the only

real scarce commodity that human beings have. The money that is spent, results from the time that is devoted to working in order to earn this money.

Thus, if time results in money and if money is used to purchase all necessary goods and services, which in turn result directly from energy (matter printers), one may conclude that all these are interconnected, namely: $\text{goods} = \text{time} \times \text{energy} = \text{money}$.

Changes in terms of job tasks to be performed

Once at the Ergonotopy stage, human beings should only take on tasks that involve thought, strategy, creativity, management, art, sports and human relations. By then, all manual or repetitive low added value production tasks should have been abolished except for those related to traditional crafts of artistic value. Thus, it should be desirable for all basic, routine tasks to be done by machines in accordance with a highly intensive production automation economy model.

The impact of this principle on the services sector could lead to several interesting challenges leading to the creation of mechanisms that are destined to simulate human contact. For example, imagine a restaurant where, next to the tables, a human-like robot could take your order and automatically communicate it to the kitchen staff. Then, the dishes and beverages could be automatically delivered to the diners on a type of conveyor belt system, which could be linked to all the tables. When the food reached the intended table, the belt may stop moving and the “robot” may ask the diners to take their dishes.

Changes in terms of average working time

A purely idealistic approach recognises that human beings should not have to work more than six hours per day, ideally four. In fact, if eight hours are reserved for sleep, plus eight hours for work, this will only leave eight hours per day for doing all other necessary tasks, such as commuting to and from work, eating, washing and bathing, taking care of physiological needs, family obligations, grocery shopping, etc. Thus, very little time will be left for cultural activities, sports, leisure, and socialising, which are also essential and necessary for a well-balanced and harmonious lifestyle.

In today's economic systems, it is impossible to implement this reduction in working hours because man lives in an era where productivity is key, and there is a highly competitive spirit among companies and countries.

In fact, some countries continue to massively export products and services by using an inexhaustible and cheap labour force that lacks basic rights. Regrettably, there is a sad tendency to decrease labour rights in western countries, apparently in order to help companies stay in business and to help pay off excessive national debts. In other words, the mistakes of a few greedy powerful decision-makers will have to be paid for by the vast majority of financially burdened citizens, which is nothing new.

In such a context, the tendency is to increase the average number of working hours instead of decreasing it, as should be the case.

It cannot really be said what may effectively happen if Ergonocracy (not Ergonotopy) were implemented. According to the Ergonocracy Economic model, every worker should be working for his or her own company. Therefore, there should

be a much higher degree of determination and motivation among workers and many people could certainly opt to work longer hours.

In order for this Ergonocracy Economic model to succeed in the long term, and taking into account that the trend towards increased productivity is a constant, measuring people's productivity in terms of hours worked should be done away with, and a new model where people's productivity is measured by goals accomplished, should be defined. With this model, people should most likely become more efficient and more specialised. Also, the overall average number of hours spent working should be lower. This is especially true with increased automation and the fact that human tasks should be based more on knowledge and strategy instead of merely on manual or repetitive work.

If man ever arrives at the Ergonotopy stage, leisure will definitely be a key aspect, meaning that the present "status quo" will have to change. People's productivity will have to increase in order to allow for a general reduction in working hours so that the economy may not be undermined.

Thus, it may be interesting to perform a simple utopian exercise in order to better analyse the appropriate amount of time that should be devoted to work, starting with detailing the four basic components involved in how the average person uses his or her time:

- First use: tasks necessary for survival - food, personal hygiene, basic needs, medical treatment, time spent travelling to places, etc.
- Second use: tasks that are voluntary and done for pure pleasure, including the amount of time dedicated to leisure, sports, family, friends, etc. For most people, this

is the only component that makes life worth living.

- Third use: tasks that contribute to our development as professionals and as human beings, including various types of education and training initiatives, etc.
- Fourth use: job-related tasks.

In order for human beings to have a balanced life, it is important for them to be able to harmoniously dedicate their time to each of these four components. If one of these components takes up too much time, a person will suffer the consequences in the short or long term. Let us examine what timing is associated with each component:

- Typically, the first and second uses are related to our day-to-day needs and our quality of life in the short term.
- The third use has to do with the type of life that we want in the future, in the medium and long term; it is associated with our professional development and how we can increase our productivity.
- The fourth use has to do with both the present and the future, as good job performance is important to us in the present, but it also helps us guarantee a future professional advancement.

Thus, two present components, a future component and one that has both time frames (present and future), exists.

Betting heavily on those components that are related to the present results in compromising the quality of one's future. On the other hand, devoting most of one's efforts to preparing for the future may lead to health risks, as the person in question could be giving up the experience of living a calm and pleasant life. Therefore, a balanced approach will probably be the

wisest.

Next, targets in terms of the ideal time management strategy for each of these four components, should be recommended, though it is obvious that this exercise will necessarily vary from person to person. So, if every day nine hours per day used for sleeping and resting, is subtracted, fifteen available hours per day to use for the previously described activities remains. If it is taken into consideration that the fourth kind of activity has two temporal references (present and future) it makes sense that it counts twice, so the previously referred to fifteen hours should be divided by five. Thus, each activity should be given three hours per day. So, three hours daily, respectively, should be assigned to the first, second and third activities and six hours a day to the fourth activity.

This is merely an exercise that illustrates what could be considered a balanced allocation of time adapted to human beings' needs and characteristics, which, unfortunately, is not at all reflected in reality.

It is crucial that when a decision that will cost us time and money is made, man should first try to understand which of these needs are being met. This will allow us to determine if a "packed" activity is overstressed or if, on the other hand, steps towards a balanced lifestyle portfolio is being taken.

People who choose a lifestyle that overindulges one of these activities may experience certain imbalances, which may negatively affect their behaviour, health and performance.

Changes in terms of social classes - the "Mandrions" statute

If Ergonocracy is correctly implemented, a "status quo" will be achieved where there will only be one social class: that of business owners and entrepreneurs, although with different

levels of economic power and influence, of course.

With the advent of Ergonotopy, once the conditions to implement it are created, in terms of society (active age citizens), two social classes will come into being:

- Productive citizens who are company co-owners, the overall majority of citizens.
- The so-called “Mandrions”, a minority of citizens.

As referred to before, human beings are obliged to work in order to guarantee their survival, usually doing things they don't like. Thus, when man arrives at the Ergonotopy stage, a statute of “Mandrions” should be created. This will unfold according to the principle of the abolition of so-called work slaves so that each individual should gain the freedom to choose between a productive work life and a more humble life, free from the obligation to work for a living.

In this social model, the most fragile class of citizens - the Mandrions - should not need to feel desperate, for they will be provided with conditions to procure a productive life whenever they so decided. Thus, there will be less antagonism among social classes.

The fact that there are two distinct social classes, is not necessarily something negative because "Mandrions" need the productive citizen class in order to maintain their satisfactory living conditions. This is also true due to the fact that they can change their statute whenever they so desire.

Although this “mandrion” statute is important, it should also be recognised that it is a secondary objective, which should only be implemented after all other Ergonotopy goals have been met. Indeed, in this world there are shortages of all types of resources, which should be assigned to satisfy the most

significant and urgent needs.

However, if one day human beings acquire various powerful technologies in the fields of medicine, food and energy production, and if overall productivity is high and most people have achieved a good level of living, it may then be the right time to implement the principle of the abolition of so-called slaves.

The statute of “Mandrions” has nothing to do with the concept of welfare or unemployment subsidies, as the income administered to “Mandrions” is not of a temporary nature nor does it imply any kind of obligation on their part.

However, it is clear that those who choose to be “Mandrions” cannot expect to have a standard of living similar to their productive fellow citizens, as this should be unfair to those who strive to play a productive role in society.

Each month, these individuals will receive a certain income, which should be enough to allow them to have access to basic necessities and services and allow for a few small pleasures. In fact, such expenditures should be affordable as long as “Mandrions” pay for goods and services that are of the generic variety.

At this stage, the reader is reminded of what is described in the chapter on the Ergonocracy Economic Model, especially regarding all great tendencies, namely, the “Company Customisation Offer”, according to which, companies use knowledge of their customers to offer them high added value personalised goods, products and services, according to preferences and characteristics - customised products. It should be observed that the so-called generic goods or “commodities” will be much cheaper to produce compared to customised products.

In this sense, it is expected that only a small percentage of people will be likely to choose to become a "mandrion" for the sake of a better quality of life and social status.

This model is economically feasible if it is taken into account that the previous paragraph is a correct assumption. Besides that, the equilibrium variable should be, of course, the monthly income that they will get, which should increase or decrease according to the demand for the statute of "Mandrions".

It is in this context that ambition must be a value to be promoted within the Global Community as an engine and a source of motivation for encouraging "Mandrions" to improve their quality of life and become productive citizens.

Conclusion

Again, it is critical to emphasise that Ergonotopy has nothing to do with Ergonocracy. Ergonotopy is an imaginary, utopian world, while Ergonocracy models are practical, objective and ready to be implemented in planned phases whenever citizens decide to do so.

What is important is to get the journey started, which means to implement Ergonocracy in each country, each step at a time, as it has been defined in the previously presented plan for gradual introduction of the various Ergonocracy system phases.

Although some trends are not encouraging, there are some reasons that may give us a reason to have hope for a better future.

To begin with, there is an increased awareness of the problem to the ineffectiveness of current systems that govern us, in an environment of high uncertainty, characterised by a widespread sense of disillusionment, both at the political

system or the politicians who governed us in recent decades. This feeling of disbelief is also extended to the capitalist economic system.

In parallel, there is a greater willingness to correct the problems of the current regime, and also to experience new forms of political and economic organisation.

Ergonocracy may be the most appropriate and balanced system in order to implement this necessary global change. It may also be a solution to get citizens involved in public affairs. From the perspective of a new economic order, Ergonocracy could give deserved hopes for all people, but particularly for young people, as they rise to working age and face a future without any expectation of safety and quality of life.

Ergonocracy Economic Model intends to introduce the extreme flexibility concept that only small organisations can allow, so that the system as a whole can function more effectively. In doing so, greater fairness in the system is also introduced, giving opportunity to all those who are willing to take it. Direct exploitation of man by man, and redrawing power to harmful, obscure and giant corporations are also avoided.

Simplistically, Ergonocracy Political Model argues that there should be no fixed human resources in the State, except in some very specific critical areas, i.e. concessionary companies occupy the same political role of ministries in the traditional schemes. The difference is that these companies are more conditioned to having to fulfil its mandate, as they will be individually evaluated. They will have to achieve their objectives and they'll end up being far more guarded. All resources that these companies need to fulfil their function are directly managed by it, with a much larger control.

This works because there is another principle, the fact that all the steps that each of those companies take, must be published, i.e. everyone knows everything about all processes, since all information is public, except for the initial contract negotiation phase and due to negotiating purposes. Once awarded, all processes are open and published.

With these models, Ergonocracy is in tune with all the major trends that influence our times, namely the increase of the aging population, climate change, globalisation and the new movements of geopolitical change.

Human beings today have in relation with their ancestors that they are continually subjected to frustration, to obligations that they do not want and to all constraints around them. These obstacles shape our character since childhood and make us a little less tolerant and patient with others. The anger that is shown towards others also results from the sadness that man feels when he realises how limited he is and how difficult it will be to fulfil his own dreams.

That doesn't necessarily mean that the human being is bad, what happens is that the human being is endowed with an extremely adaptable nature which will be continually adjusting to the contingencies of his environment.

Human beings are good or bad, according to that characteristic that better contributes to ensure his survival. Therefore, an environment that takes this notion into account should be created.

Normally, human beings tend to be good for the members of their tribe and aggressive for outside individuals, although this is not always so. At the present days, man's biological instinct still influences the way reality is understood, depending on our own tribe concerns, and this phenomenon can be seen by

watching several types of "tribes": sporting tribes, religious groups, gangs, political parties, etc.

The major obstacle to a greater harmony and better life for human beings is the tendency to avoid seeing our neighbours as people of the same tribe, because unfortunately man tends to regard them as outsiders and therefore as potential enemies, rather than friends. Take the example of people who have the misfortune to fall lifeless in extremely crowded areas; because it often happens that none of the bystanders will lose a minute of their time to help the fallen person. That's the great fatality of urbanisation and sedentary lifestyles, as crowds that have little in common are joined together, whose members hate each other or, at best, ignore each other.

Moreover, the fact that man is mortal and therefore has a natural individual limit - an end - leads to observe the surrounding scenery in a very mild form and also makes us giving up to try to develop as persons because we know we will degenerate very quickly. It is felt that it is not just worth the effort. In this line of thinking one can better understand why the overwhelming majority of our fellow human beings prefer to get drunk by the ephemeral earthly glories which act as mere sedatives. In other words, one consequence is precisely the fact that the degree of our perfectionism tends to be reduced. The more each individual is aware of his ephemeral journey, the smaller is his willingness to constantly learn and to continuously meet new realities. Instead he's just looking to achieve social recognition in order to feel that gap.

These concepts help to understand what Ergonocracy advocates: the system that must be adapted to the individual and not the contrary, that is, the political, social and economic systems as a whole must be made according to the actual characteristics of human beings and should be managed in

order to allow the satisfaction of individual needs, choices and specificities.

Moreover, it is important not to allow ourselves to be dominated by primary emotions. An effort to change should be made. It is expected that individuals should strive for the systematic development of their own skills and ultimately reach their goal, that is, the reason they most crave in life. And with this action each individual will be contributing to his own improvement, and taking another leap towards a more advanced human ideal.

Ergonocracy is just one tool available to the citizens who will have to make an effort so that society as a whole can implement these concepts, otherwise Ergonocracy will not be more than just a compendium of good intentions.

The purpose of Ergonocracy is not to change mankind, although this may happen in a gradual manner, after a long time, if Ergonocracy gets to be implemented in a sustainable and effective way. The purpose of Ergonocracy is to facilitate the life of human beings in general, and help to provide a fairer human experience, with more abundance and less effort, taking advantage of all the means that are at our disposal and the knowledge that we gathered about our own nature.

Ergonocracy trusts the judgement capacity of the average citizen, and gives each individual the opportunity so that everyone is able to rule his own life, but it merely defines the format that best facilitates the achievement of these purposes.

In an age where information flows very quickly, where people have become increasingly demanding and aware of their rights, where all kinds of borders tend to be cut, it makes more sense that people take their destiny into their own hands, and this is what Ergonocracy advocates.

Some people will see in Ergonocracy a dangerous regime that will kill capitalism; others will say that Ergonocracy is some kind of extreme capitalism as everything is private. On the contrary, others will have no doubt that this is a left-wing radical movement, based on the politics regarding corporations.

In fact, it's none of the above. Ergonocracy is the only mutation that will allow capitalism to survive, in a more humanistic version. It will probably be the safest and most radical way to "save" the best of our "Old World".

However, Ergonocracy depends on us, citizens, and what we want to do with our future. One thing is certain: Ergonocracy will never be promoted by traditional politicians who have no interest in losing the perks and advantages that the present situation provides.

Citizens will be up to fight for a regime that will bring them a better future, more independence, more advantages and the ability to control the way things are done. This will not be easy.

10. Glossary

- Adult amusement park - this should be a confined place within a large walled enclosure, containing numerous leisure and entertainment establishments of all kinds, where almost “all” pleasures and vices will be allowed in a controlled and relatively safe environment, integrated in the Drug Problem Solution Model.
- Ancient Golden Rule - human beings should put into practice the ancient Golden Rule or the ethic of reciprocity principle that states: “Do unto others as you would have them do unto you”. The idea should be to turn this concept into a natural, widespread deciding rule.
- Arbitral Council - this is a collective board composed of twelve members which should mainly hold arbitral power, monitor in detail each Concessionary Company, serve as a moderator, resolve sensitive issues, organise receptions for foreign dignitaries, coordinate elections and control and monitor secret services; this is the only elected personal assignment.
- Backbone Strategic Tunnels - these tunnels will be long distance strategic connections, usually between major cities or countries; and there should be four to six “railways” for each direction.
- Box-wagon - moving mobile wagon container, destined to ride in the Community Delivery Box (CDB) network tunnels.
- C.M.N.T.M. (Company Managed Nominal Titles Model) - instead of capital stock shares, the

Ergonocracy Economic Model proposes a new capital participation method presented by the Company Managed Nominal Titles Model, in which each title will also represent a part of the company's capital, and it is inherent that the company is obliged to make the corresponding periodic payment of dividends; the most obvious difference is that each title will no longer fluctuate in the stock exchange. There will no longer be stock markets, as these kinds of intermediaries will cease to exist. Companies (issuers) will be solely responsible for settling all trading processes. In fact, the capital title's main function is to represent a capital share percentage, which remains unchanged; each transaction must be always performed in multiples of 0.01% of a company share.

- CDB (Community Delivery Box) network tunnels - the aim of this tunnel network should be to allow the implementation of an immediate process for sending and receiving merchandise ordered via internet or sent between any individuals or companies for all types of transactions. So, the CDB system should become the final step in the electronic transaction cycle, and provide a new paradigm in the internet globalisation process.
- Citizens' contract - this will be a contractual document, with a symbolic purpose, according to which every youngster pledged to abide by all laws in the sequence of a previous test in which the youngster should prove that he should be aware of all the fundamental rules governing the Global Community, including the specific rules of the Local Community. This document will be signed in a formal ceremony intending to symbolise and mark the moment at which citizens of

the Global Community assumed their new adult status.

- Community Web portal - this portal is an internet web portal designed to give each citizen the opportunity to participate in the voting process and to be informed about every proposed law. It allows the functioning of the three powers, Legislative, Executive and Judicial. It will be through this portal that all interaction between citizens and Public Function Concessionary Companies takes place. Although it is the only available interface, it will permit contact by various means, including telephone, computer, or video conference.
- Concessionary Companies - they are service companies with profit-making interests. For each of the permanent Public Functions, one Concessionary Companies will be chosen to implement the political programme (agenda) previously presented to citizens so that executive power will be delegated to these Concessionary Companies directly elected by citizens' voting via the Community Web Portal.
- Consulting members - these are active partners, but could work part-time, as they will be allowed to hold executive roles in two or more companies.
- Controlling Entities - these specific Concessionary Companies, elected by public tender, will hold the mission to detect acts of corruption and deviation from defined processes. For this specific Public Function, three different Controlling Entities could be chosen. No specific assignment areas will be defined, as each Controlling Entity should be authorised to investigate whatever the company's leading members decide.
- Council Coordinator - this is the Arbitral Council

coordinator and his or her mission consists in assisting other members with the more delicate issues; it's a rotating assignment.

- Corruption - this phenomenon (trend / tendency) is nothing more than an undue “purchase of power”, to the benefit of both parties.
- Company customisation offer - man lives an era where, for any company, knowledge about its customer base is the most critical concern. Consequently, it makes sense that the creation and formatting of each product or service should be adjusted according to customer preferences. This implies that the production system will have to be consequently adapted and prepared.
- Daily and functional decisions - each member should have a specific role within the company and should be authorised to make everyday decisions related to his or her functions, as long as the cost value of those decisions are below a previously agreed value limit.
- Deputy Coordinator - this is the Arbitral Council coordinator assistant, assisting and substituting for the Council Coordinator and accumulating the functions concerning the Council's routine activities; it's a rotating assignment.
- Enlarged tribe concept - according to this concept, the greater the feeling of identification amongst neighbours, the easier people will find it to integrate into a group or tribe. The sense of belonging to a group will be mutually reinforcing and bring benefits both to the individual and the community.
- Ergonocracy - this is a new, coherently integrated regime composed of a set of new political, economic,

social and judicial models. The name Ergonocracy was chosen to highlight the importance of adapting man's surroundings to his true characteristics; Ergonocracy is both a philosophical and practical approach to help resolve society's problems.

- Ergonotopy - this concept has nothing to do with Ergonocracy. Ergonotopy is an imaginary, utopian world, while Ergonocracy models are practical, objective and ready to be implemented in planned phases whenever citizens decide to do so. Although Ergonotopy may be understood as a logical, long term continuation of Ergonocracy trends, it is not its final purpose.
- Exclusive members - they are characterised by being active partners exclusively allocated to the company where they will perform full schedule activities.
- Executive power - this will be wielded by citizens via Concessionary Companies and Sub-Concessionary Companies chosen directly by the voters (public procurement). These companies will carry out decisions previously made by citizens.
- Extended concessions - these will concern the choosing of Concessionary Companies to manage the sectors of defence, justice and information services, which are "elected" for a period of twenty years, instead of the usual standard mandates of other Concessionary Companies which last only four years.
- Global Community - the implications of the enlarged tribe concept naturally led to the concept of the Global Community, which extends the concept of the tribe to all of a country's citizens.

- Global Community Taxes - the Ergonocracy Economic Model proposes that there should be one main tax. It could be similar to the existing Value Added Tax (VAT). VAT taxes should be paid by all final consumers and collected by all companies. This tax focuses on direct usage and taxes the “added value” of each transaction carried out by the taxpayer, and all businesses will be able to deduct VAT along the chain of transactions.
- Highway tunnels - these tunnels will end in a Backbone Strategic Tunnel and will have two "railways" in each direction, similar to the concept of a motorway.
- Housing Model - this model consists of a new acquisition mode of a real and permanent housing title for lifetime use, similar to a “time-share”, but the primary difference is that the home in question is to be inhabited for as long the client wishes. This model promotes citizen mobility so that he or she is able to easily change residence. This will allow people to try several different environments and communities, until they are sure that they have found the right solution to maximise their overall level of satisfaction and effective integration into a community.
- Housing Right Title - this is a new acquisition mode of a real and permanent housing title for lifetime use, similar to a “time-share”, but the primary difference is that the home in question is to be inhabited for as long the client wishes. The Housing Right allows the citizen to easily change residence as he bought a Title and not real estate. The citizen holding a Housing Right Title, or HRT, will be able to trade, inherit or swap it. Its value should be determined according to the type of housing contract and the amounts previously paid for it. This

permanent HRT is designed to be used for life and should be supported in a specific contract which will define the type of housing commissioned.

- Investor members - they are not active partners; their participation in companies is motivated by the need to invest their money. Their role is sporadic and is essentially limited to intervening in strategic decisions.
- Judge-attorney - in a criminal court there will exist a three member team of judges and this will be the judge responsible for the defence.
- Judge-investigator - in a criminal court there will exist a three member team of judges and this will be the judge responsible for the accusation in partnership with investigative police.
- Judge-president - in a criminal court there will exist a three member team of judges and this will be the judge responsible for heading the team.
- Last mile tunnels - these tunnels should be private property and will be bidirectional tunnels with only one rail, thus one tunnel for both directions (mono-rail).
- Legislative power - this power should be diluted and exercised directly by each citizen, who votes directly through an electronic internet platform called “Community” Web portal.
- LNS (local neighbourhood storehouse) - this will be a common warehouse destined to help providing various services to the Local Community citizens.
- LNS tunnels - these tunnels will link an LNS with another LNS or an LNS with a highway tunnel. These types of tunnels will have two railways, one in each

direction.

- Local Community - this institution replaces what in Western democracies is called the City Council. It proposes a new Local Community management model that will use similar direct democracy principles and mechanisms to those that have already been suggested for the Global Community. This includes principles of dilution of power and total transparency. Also, a Concessionary Company chosen by the citizens will handle the management of the Local Community, which covers all aspects that are closely related to each citizen, including his or her residence, building, street, neighbourhood, and city.
- Local Community of Common Interest - this concept will allow the agglomeration of people with common interests and similar ways of life being possible to set a desired profile for new neighbours. It combines a “Thematic Association” with the usual Local Community’s activities.
- Local Community Taxes - taxes paid by local citizens that are associated with their Local Community residence. The calculation of this indirect tax consists of a direct allocation to each residence for its share of all the local community costs, based on consumption.
- Local tunnels - these tunnels will link Last Mile Tunnel clients with the LNS and so they should be bidirectional tunnels with only one rail - only one tunnel for both directions (mono-rail).
- Mandrions statute - human beings are obliged to work in order to guarantee their survival, usually doing things they don’t like. Thus, when we arrive at the Ergonotopy

stage, a statute of “Mandrions” should be created. This could unfold according to Principle of the abolition of so-called work slaves in so that each individual should gain the freedom to choose between a productive work life and a more humble life, free from the obligation to work for a living.

- Minimum guaranteed income - each company should set a minimum remuneration amount (a minimum monthly income) equivalent to the country’s minimum wage, so that members who hold fewer shares, between five and ten per cent, will be able to maintain a decent standard of living.
- Neighbour Commission - this commission’s most important task is to promote and organise the Local Concessionary Company's electoral process. This entity will not hold any decision-making power, and should only be responsible for the coordination, intermediation and controlling of assignments.
- Neutral local communities - these are local communities whose management is handled by a Concessionary Company that will limit its activity to the current issues in its own geographical area, regardless of any thematic character.
- Permanent Public Functions - certain Global Community Public Functions are stable and permanent in nature. These are called Permanent Public Functions, or more simply, Public Functions. For each of the Global Community’s Permanent Public Functions, there will be issued a Request for Tender (RFT) in order to award each Public Function to a different Concessionary Company.

- Permanent Public sub-Functions - each Public Function is split into logical, functional sub-functions, which are managed by sub-concessionary companies. Each Concessionary Company has the strategically obligation to control its Public Function. But it will require help to approach the tactical and operational missions.
- Premiums (bonuses) - these premiums will constitute additional variable income for executive partners, as an added incentive, as well as recognition of merit for top performers. These values are not indexed to each partner's share.
- Principle of the abolition of virtual slaves - in traditional capitalist systems, most people spend their time simply surviving, with only sporadic leisure periods to look forward to. One day, if this human project reaches a highly developed stage (utopian society), it may be possible to abolish all virtual slaves by giving each individual the choice to work or not.
- Principle of deterring crime - deterrence is not assured by retrospective logic based on the fear of getting caught after a prolonged investigation. On the contrary, deterrence will be much more effective if a prospective criminal is afraid of being caught red-handed, causing him or her to think twice before committing a crime.
- Principle of direct accountability - activities that are carried out by each Public Function will be information that must be published in the Community Web Portal along with the name of the person responsible and his or her substitute in case of absence.
- Principle of fraternity - fraternity is an individual

voluntary feeling and this is why such a purpose has never been objectively defined whenever new political regimes are settled because most regimes and ideologies are directed towards society as a whole. In fact, feelings of fraternity are like those of brotherhood and are thus more altruistic. It is doing the right thing because people like helping their neighbours and not because they have any personal interest in doing so. For anything like this to happen, each individual needs to really feel as if they identify with those around them; a genuine and effective application of this principle can only be implemented in the Ergonotopia utopian stage.

- Principle of how the environment is adapted to the individual - it seems evident that the political system should, as far as possible, be designed to ensure adequate protection against the obvious weaknesses to which politicians are prone.
- Principle of human performance - this is the notion that every human being is unique and possesses value and dignity. This concept is applicable in a context where human resources are a “scarce commodity”.
- Principle of information technologies - the political system will have to be redrafted in order to equip citizens with effective decision-making capacities to be exercised whenever they wish to participate in this process and for this purpose man is fortunate to be living in a privileged era - the era of information technology, which allow him to utilise these technologies simply and effectively.
- Principle of law simplification - this principle recognises that rules are unavoidable, but they should be briefly and concisely drawn up and widely

disseminated.

- Principle of maximum individual freedom - in theory, freedom shall be total. However, this is impossible due to the fact that humans have to coexist and it is a well-known fact that in the exercise of individual freedom, one may end up infringing on other people's rights.
- Principle of motivation - any individual will naturally struggle much more if the person worked for his or her own company than if he or she worked for another entity. In fact, any entrepreneur or business man can testify to the fact that working for oneself is less tedious and more exciting.
- Principle of mutual identification - for every human being, the more he or she identifies with others, the more integrated he or she will feel. This applies to those living in a Local Community. Similarly, our individual freedom will vary according to our level of integration and identification with the people in our Local Community. As our tastes and preferences are similar to those of our neighbours, there is less risk of any mutual discomfort or misunderstanding.
- Principle of non-exploitation of man by man - economic exploitation of man by man is considered one of the most important factors in the destabilisation of society. It also causes jealousy and anger and helps create social class differences, which can lead to the outbreak of antagonism and to a sudden breakdown of the economic and social structure. It is therefore desirable to create a system free of this nuisance.
- Principle of non-proliferation - the Social and Local Community Ergonocracy Model assumes a maximum

number of human beings within a given environment. This is recommended not only for environmental reasons, but also especially because of sociological objectives, in accordance with the principle of the rejection of a sedentary nature.

- Principle that recognise the fact that power should not be individually exercised - the Ergonocracy model argues that there should be no personal posts, but rather one collective board.
- Principle of reducing the size of enterprises - this principle aims to reduce the adverse and pernicious effects of the capitalist system, namely the behaviour of international corporations.
- Principle of the rejection of a sedentary nature - over hundreds of thousands of years, human beings, in their continuous evolutionary process, became accustomed to being nomadic, living according to nature's cycles and adapting to climate changes and the migrations of their prey. It was in this context that the longest period of our evolutionary history occurred. So, the circumstances and the framework of the technological age in which we live should be taken into account, so that it can present a paradigm that will help to recreate the true nature of human beings. These issues of mobility and community integration are dominant criteria.
- Principle of separation between civil and criminal courts - this principle advocates that criminal courts and civil courts have a completely distinct function. Criminal courts are one of the internal pillars of security, whereas administrative courts mediate between citizens, or between citizens and institutions.

- Principle of separation of criminals - criminals should receive a penalty in keeping with the crime committed. For this to take place, distinct types of crimes should be identified, linked to the motives behind these crimes. Each crime will involve different punishments and treatments aimed at ensuring that criminals come to understand and recognise the harm that they had caused.
- Principle of simplification of judicial processes (lawsuits) - delayed justice is often aggravated by the fact that certain lawyers choose to strategically take advantage of statutory deadlines in order to delay decisions for as long as possible. The rules of the system must offer protection from this kind of behaviour.
- Principle of the swiftness of justice - this principle advocates that the quality of justice will be severely compromised if the system works slowly, as most citizens will feel either that there is no justice or that it is ineffective. In other words, people will lose confidence in the justice system.
- Principle of total citizens' sovereignty - the proponents of Ergonocracy believe that citizens are intelligent enough to decide their own destiny and that their decisions should be direct and sovereign.
- Principle of total transparency - Ergonocracy defends the notion that all political mechanisms must be transparent and flexible, arguing that all citizens must have direct access to all public processes. This requires all public entities to disclose their actions and activities online.

- Public assets - these are all public assets and structural goods that support these Public Functions as long as they are effectively acquired by the Global Community. In alternative they may be the property of the Concessionary or Sub-Concessionary Company.
- Quick Alert (effective surveillance) - one important concern is minimising the time lapse between the beginning of the crime and communication of the alert. The alarm should be dispatched as quickly as possible, which brings us to a very important issue: surveillance.
- Quick Arrival at the scene (efficient intervention) - according to this model, there should exist highly trained SWAT type intervention police, which could be continuously patrolling the skies of the territory in vertical take-off jets. After being notified of a disturbance, the jet flying closest to the location in question should be able to complete a safe landing at any point in its designated territory.
- Redistribution Profits - each shareholder will be assigned a redistribution profit value according to the percentage of shares held receiving a monthly value corresponding to estimated profit for that month;. this should apply equally to all types of partners (Exclusive, Consulting and Investors).
- Request for tender, commonly abbreviated as RFT, is a structured invitation to suppliers for the supply of products and/or services. According to Ergonocracy it will be used for citizens to elect the best Concessionary Company for each Public Function.
- Rules concerning shares and statutes - according to Ergonocracy, a regulation governing shares and statutes

should be implemented being the most important rule number four: the rule that states that no company member will be allowed to hold less than a five per cent share of his or her company, the minimum share allowed. The logical implication here is that companies will be limited to a maximum of twenty members.

- Share apportionment - in this model it is obvious that investor partners have a huge advantage over other members. Regarding profit redistribution, they have the same rights as executive members, i.e. they receive their monthly portion of the profits. It is for these reasons that, when a company is created, or in cases of renegotiation of shares, all executive members need to be reminded that they should attempt to negotiate a favourable apportionment.
- Strategic decisions - decisions that must be made by a qualified majority requiring that investor partners are also summoned.
- Tactical Decisions - decisions subject to the vote of all executive members, excluding investor partners. Let us not forget that tactics include all actions that are planned with the purpose of achieving the strategic objective.
- User-payer Principle - Ergonocracy defends the notion that, when possible, the user-payer principle should always be applied. It is not merely a question of fairness, but a practical measure as well. When something is paid for and it works successfully, it is considered a worthwhile investment. It can be observed that when something is free, people may use it merely out of habit or just because it is free.

- Venture capital companies - its main function is to gather the initial amount that the investment requires, following a technical feasibility analysis, acting as catalysts in unlocking “start-up” businesses in the initial phase.

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