

# HUMANISM

A Philosophic-Ethical-Political-Economic Study of the  
Development of the Society

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## 1. Analysis of the Natural State

## 1.1 The Individual

Nature contains an infinite quantity of matter charged with energy, which creates an unlimited multitude of forces, actions and reactions, tensions and equilibriums. The individual is a live part of nature; they possess sensorial ability, thoughtfulness and the ability to act consciously. By moving, nature creates sensorial advantages and disadvantages to the individual. The sensorial difference between the advantages and disadvantages forms the individual's needs.

The individual defines their needs by thoughts. By thoughts, the individual creates and accumulates the consciousness of the advantages and disadvantages of their attitude to nature. The thoughts about different conditions form different emotional states. When the state of the nature does not suit the nature of the individual, this creates in them an adverse sensorial and emotional tension that concentrates energy towards finding an appropriate state.

The individual mostly meets their needs by acting consciously. The intensity of their acting depends directly on the degree of the disadvantage. Small disadvantages induce a small moving energy, while big disadvantages that also bring into question their survival accumulate the entire individual's energy in their struggle for survival. The process of acting lasts as long as the individual has satisfied in full all their needs.

Satisfaction of the needs brings advantages that are proportionate to the intensity of surpassed disadvantages. Advantages appears in the form of relaxation from the inconvenient tension, in a sensorial and emotional satisfaction resulting in saturation. The ratio of the needs and saturation change periodically, with the intervals dependant on the nature of the needs. The period of saturation relieves the individual from their needs.

The individual depends on nature and is, therefore, not fully free. In its broadest sense, freedom represents a state of full independence and, accordingly, does not allow formation of needs. The individual having vital needs does not need freedom in the broadest sense. In a narrow sense, freedom is to be accepted as a state allowing the meeting of needs because the individual who cannot meet their needs are not free. Such freedom is a prerequisite for accomplishment of the individual's subsistence, for the development of their abilities, powers, cognition, and therefore the individual can and needs to have such freedom.

Nature has an unlimited power in relation to the individual; however, thanks to their biological development, the individual adapts to the movements of the nature and develops their abilities so that in normal natural conditions they can meet their natural needs. The individual can be free in nature. Their freedom is based on their ability to do what they want; however, such freedom depends on their cognition that they want what they can do.

During their lifetime, the individual acquires a multitude of favourable and unfavourable sensorial and emotional states arising from relations with nature. By controlling and putting in order their reflective determinations as regards the sensorial and emotional aspects of the life practice, they create knowledge about the conditions bringing advantages and disadvantages in nature. Knowledge formation is the individual's greatest ability. Knowledge understands the forming of objective definitions of the laws of movements in nature, the definitions that under equal conditions form equal reactions irrespective of the degree of advantage or disadvantage that such definitions create. Objective definitions present the laws of the movements in nature as they really are.

Knowledge gives power to the individual to meet their needs by a conscious and organized work. The individual opposes with work the disadvantages in nature, produces the means needed for their own survival and for the creation of major advantages. The working ability gives the individual a great power in nature.

Anything that creates advantages has its value. The individual accepts the value in cases where differences may exist between advantages and disadvantages, where needs are not satisfied or may be non-satisfied. The value is actually proportional to needs.

The work output has its usable or natural value. Natural value of the output meets the individual's natural needs linked with the survival and living standard. To the extent that the work brings advantages by itself, it has its usable value to that same extent. The individual's bright future is in finding work that brings major advantages in its duration because it reaches the essential advantages in that way. As a general rule, such advantages are more lasting and may also be more intensive than the advantages arising from consuming work results.

The individual defines by knowledge the regularity of movements in nature, and the more deeply they reveal them the more broadly they are able to apply their regularity. Knowledge gives the individual the power that is in its form unlimited in relation to nature. The more the individual develops knowledge, the more needs they can create and meet, the more control they have over the conditions forming their sensorial and emotional states. "The individual who knows" is able to discover and form their own progressive orientations, to live in harmony with their own nature, to rely on their own forces, to believe in their power and in themselves. Such an individual is able to understand their personal relationship with nature, to develop love with nature, to develop a constructive relationship with nature, to find pleasure in relationship with nature. Such an individual necessarily lives in harmony with nature. The more the individual knows, the more they meet their natural needs, the more balanced they are, the more they believe in conveniences, the more optimism they build toward life, the more relax, content, joyful they are for the fact that they live. Generally speaking this is a description of an individual who lives a natural productive life and as such can be easily recognized.

Wisdom is the highest level of knowledge. It is acquired only by the experience gained by normal natural living. The wise individual constantly satisfies their natural needs and therefore experiences a major saturation. They have everything they need, irrespective of the quantity and quality of what they have and are, therefore, satisfied. By overcoming the inconveniences, the conveniences also lose importance. In other words, where differences get smaller between the possible conveniences and inconveniences, the needs also get smaller. The more the individual knows the less need they have, which means that by living they come closer to freedom in its broadest sense.

## 1.2 Society

The individual is by their nature a free biological being and a social unit at the same time. "The individual who knows" is aware that they will to a greater extent satisfy their natural needs by associating with another individual. By associating with others, the individual accomplishes a greater power in nature and, accordingly, a greater possibility of satisfying their natural needs. The pooling of people represents a community of individuals with separate and collective needs.

The individual is a natural need to the individual, as the value is as well. In a "society that knows", each individual feels respect to all members of society irrespective of the differences in their degree of ability or power. In such a society each individual is entitled to participate in the decision-making about the rules for joint activities in nature. In this way, the sum of all individual needs form the optimal collective needs of society, which determine the social relationship rules.

Such rules understand the rights and obligations of individuals. The rights establish freedoms of people, while obligations diminish them as the people are forced to behave toward nature and society in the way that suits the society as a whole. "The society that knows" regulates the rules for the collective relationship by way of reducing to maximum extent the individual inconveniences and by increasing the collective conveniences as well. Such rules suit all members of the society to the largest extent possible.

The society in its relationship with nature has identical reactions to those of the individual. "The society that knows" forms needs in accordance with its own nature, within the limits of the natural power of realization, thus satisfying their needs and accomplishing the conveniences.

One can say that during their lifetime the individual takes the roads of development of the society. A child has neither knowledge nor ability to meet their natural needs. The parents who know how to live in accordance with their own nature are satisfied and develop as such, love toward the children. They assume an active care for meeting the children's natural needs. Such attitude brings warmth and joy, which is a prerequisite for the prosperity of both the child and the society. The persons not deprived in their youth may easily later become sound protagonists in society.

"The individual who knows" brings advantages to themselves and to the society as a whole. Therefore, "the society that knows" is interested in having each member be familiar with the fund of knowledge they possess. "The society that knows" forms an impartial knowledge about the laws of movements in nature, and educates the young members on the rights, duties, and responsibilities for their subsistence in society and nature. The young who see active and satisfied adult members of "the society that knows" form a belief in a convenient future and, therefore, accept with pleasure the rights, duties and responsibilities of the community. "The society that knows" forms the education that follows the interest of the students and of the society, as in this way the

act of education satisfies, while lasting, the needs the students and produces benefits to society as a whole.

The society meets its needs by work. "The society that knows" establishes needs by mutual agreements, and then proceeds by jointly working to meet the needs, accomplishing benefits in that way. The society reaches major benefits when it directs the work to where it is more necessary and where a more productive worker carries out each work duty. "The society that knows" organizes the work distribution mainly according to the individual working abilities of the workers. In such a society, each worker has an equal right to work in every work post and each work post is covered by the most productive interested worker. In this way the greater conveniences in the society are created. The best productivity brings the highest values in the operation result. Free working choice enables work to become a value for itself.

"The society that knows" distributes work in the way that work posts form balanced conveniences in work itself as well as in operation results to workers, which brings a balanced interest to workers toward performing any work. Such social attitude toward work allows coverage of all work posts with the workers who perform their work in accordance with their own natural needs and abilities.

An autonomous worker works only if they have direct interest. On the other hand, if they lose such interest, they lose the need to work and cease to work. In associated labour, the worker is forced to work when it is a collective need, regardless of whether it suits them or not. Associated labour may be inconvenient and, therefore, in "the society that knows" each individual may exercise the right to do work that brings them less inconvenience.

An autonomous worker bears responsibility for their work by their own work accomplishments. In associated labour, an irresponsible worker may inflict great inconveniences to the work collective because of the linkage existing among the work processes. This is why "the society that knows" forms by way of mutual agreements, the efficient principles of accountability for the failure in performing the work obligations and for behaviour not suitable to society. Therefore, each member of such a society behaves responsibly toward nature, society, work and the operation result. In such a work collective, a free worker is offered the possibility to become aware of the limits of their productive power. Aware of their own responsibility, they form the work needs in accordance with their own nature and possibility of realization. Such an orientation is a precondition for satisfying needs and for the basis of a constructive orientation of society.

In "the society that knows", the collective work products are distributed according to the contribution of each individual in the process of production. The work that produces a higher value brings greater conveniences to the society, and thus deserves a higher reward in terms of the share in the operation result. The operation result is also distributed according to the degree of inconveniences that occurred in the course of the work duration. A more inconvenient work duty requires a higher compensation and

therefore it receives a higher share in the distribution of the collective operation result conveniences. The contributions of ancestors of workers also count, because each operation result contains a vast quantity of past labour.

"The society that knows" always forms a solidarity distribution element, which provides products intended for individual consumption of the entire population, irrespective of whether they participate directly in the production. In that way, a view is created in the society that the individual is a value to the individual. Giving on the basis of solidarity creates social stability and helps development of new forces in society that reproduce such orientation, which bring benefits to society in the long run.

The society that constantly manages to satisfy its needs is a satisfied and powerful society. The society with noble members is the one where such members necessarily help each other, where unity develops and thus brings prosperity. It has faith in its own forces and faith in the conveniences. The consequence of such faith is the love that appears among the members of society, the equilibrium and harmony with nature.

In such a society each member helps the development of each individual, as in this way they also contributes to their own development. Giving is a source of manifestation of vital power that brings great benefits. "The society that knows" ensures the reproduction of constructive orientation and is able to plan its own development and prosperity. Such a society is a healthy society.

## **2. Process of Alienation**

## 2.1 Alienation Psychology

The individual is aware of the limitation of their own knowledge, and of their own impotence before nature. The lack of knowledge about nature brings sensorial and emotional inconveniences to the individual. Sensorial inconveniences are a product of a direct, painful relationship with nature. Emotional inconveniences are a product of the reflective relationship with nature. The most pronounced emotional state is the fear that is the consequence of insufficient knowledge, and/or impotence of the individual to oppose natural inconveniences. The individual rids themselves of the inconveniences within the limits of their own possibilities.

If the individual does not accept their own impotence where they are objectively unable to surpass it, they then form the need that exceeds their own possibilities of realization. Since thoughts are free and may act independently of nature, the individual forms under the pressure of the inconveniences caused by their own impotence and the need to overcome it, a subjective idea about nature and the laws of movements within it to the form that suits them. If such subjective determinations overcome the obstacles in the relations with nature, which is possible since there is frequently no inconvenience in direct contact of the individual and the nature unknown to them, the individual rids themselves of the inconvenient tension and accepts such determinations as real.

The subjective vision gives the individual an illusion of power in nature, which brings swiftly and easily the conveniences that are by their intensity identical to those arising from the real surpassing of the individual's impotence in nature. The transition between reality and illusion is easy and suitable, which encourages the individual to find, in search for greater conveniences, the sources in each moment of life. One may say that "the individual who does not know", or, more exactly, an impotent individual forms during their lifetime in the unknown, superior or inconvenient nature, an indefinite number of determinations of nature; its parts, and natural phenomena in the form that suits them. Such nature is no longer unknown because the individual "becomes familiar" with it, it is no longer superior because the individual "wins" over it, it does not belong to somebody else because the individual "annexes" it. The individual adopts such nature by their subjective visions to the determinations that suit them the best. However, such determinations are alienated from their objective essence.

Alienated determinations form in the individual an alienated conception of the conveniences and inconveniences, which creates an alienated respect toward the powers in nature, alienated emotional states, alienated needs, alienated actions. In this way, a subjective consciousness develops an alienated knowledge. Alienated knowledge is false and, therefore, forms an alienated mode of the individual's living. The alienated mode of living alienates the individual from their nature and thus the process develops cyclically.

One may say that the individual alienates from their own nature when they are not able to accept the limitations of their own nature. The individual, who cannot accept to a larger extent their own impotence where they objectively cannot surpass such impotence, gets alienated to a greater extent from the objective reality.

Subjectivity creates alienation. However, a subjective vision also always carries in itself objective determinations. Absolute subjectivity would form an absolutely alienated consciousness, and the individual as the protagonist of such consciousness would lose the possibility to exist. Absolute objectivity would form absolute naturalness, which represents an ideal of the individual's living. The relationship between objectivity and subjectivity represents the relationship between naturalness and its alienation.

Alienated knowledge that illusorily resolves the issue of the individual's impotence before the unknown nature may find justification if it largely contains the objective determinations of the laws of the nature's movements. Such knowledge, although not real, does not have to come necessarily in direct conflict with natural powers, and releases the individual from the inconvenient tension of the relation with the unknown.

Alienated knowledge loses its justification when it diverts the individual from their natural track. The individual can never fully meet the alienated needs, because there is no activity that can capture the nature of the origin of such needs. Simply, the individual cannot surpass the power of nature.

Since alienated needs cannot accomplish satisfaction, they are as a general rule insatiable. Such alienation develops egoistic features of the character, and manifest in the form of greed, ambition, exaltation, fanaticism in the field of the individual's alienated interest. Alienated needs may objectively be fully unnecessary to the individual's nature; however, they create in their alienated consciousness a great importance. They then direct the individual to act contrary to their own nature.

If the individual's alienated consciousness is able to find an illusory confirmation for their alienated power, the individual then develops a higher degree of subjectivism that creates a narcissistic feature of the character. Narcissism significantly pushes back and underestimates the objective, unknown, unacceptable reality and glorifies the alienated vision of one's own power in nature, which creates a great illusion of vital conveniences. When the individual defines by their subjective vision their own power far larger than the one they can objectively have, they easily comes across the contradiction in real life, which brings along strong tensions and inconveniences. Objectively, narcissistic needs are unnecessary to the individual's nature; however, in their subjective consciousness they easily become a precondition for ensuring the existence. Such individual invests a great energy in the fight for alienated survival.

The more the individual is alienated from their nature, the less can they, as a general rule, satisfy their needs and thus find relaxation and conveniences. Generally speaking, the alienated individual can be recognised by the fact they are almost permanently under stress, they are certainly more nervous than easy going, they are more bad

tempered than satisfied, they are more depressed than happy no matter what their operation results are. The individual's nature cannot endure a permanent tension and inconvenience and, therefore, their organism finds its way out in the perversion of their own senses and emotions.

The alienated individual rids themselves of the inconvenient tension and finds illusory relaxation and conveniences in the perversion of their own nature. While the natural individual finds relaxation and conveniences in love, in a constructive attitude toward nature, the alienated individual finds illusory conveniences and relaxation in hatred and destructive attitude toward nature. To such an individual, destruction becomes a need. The destructive tension that then appears may make the individual fully unable to perceive the objective causes of their inconveniences.

If the individual's subjectivity overvalues the conditions of nature, which bring inconveniences to them, they then find the causes of impotence in themselves, they then orient destructively towards themselves. Depending on the degree of impotence, the self-destructiveness acquires features that range from passivity before natural forces, even where the individual has power to overcome them, to the need for self-destruction. The individual does not aspire to self-destruction because of objective impotence such as poverty or famine, but only if they lose the alienated form of power in nature. The individual accepts self-destructiveness as a need for escape from the reality and it can develop from, for example, alcoholism to fully alienated consciousness, or lunacy. Only in that way can such an individual find relaxation from the inconvenient tension.

If the individual overvalues their power with their subjective vision, they then find the way out from the inconveniences as well as an illusory relaxation from the tension, in a destructive attitude toward nature. The individual is never as destructive as they are when their narcissistic character, their false human greatness gets hurt. Depending on the degree of impotence and the lack of respect toward nature, destructiveness manifests in the form of aggression that may develop toward the act of destroying nature.

The individual who lives in harmony with their own nature overcomes their own impotence gradually and constructively. Such an individual accomplishes natural conveniences. When the individual alienates from their own nature, they cannot satisfy their needs and, therefore, tensions emerge in them that push them to destruction. The alienated individual lives a biologically inconvenient life.

Well, the whole book is about alienation but what would that be in one sentence? Alienation is a state where an individual does not recognize values where they really are. They think the values are what really are not.

The individual thinks as they feel, they feel as they live, and live as they think. Since the individual manages their thoughts by way of knowledge, since thoughts determine needs and thus direct the action, it is the individual who bears responsibility for the

realization of their own sensorial and emotional states. One can say that the individual is what they think or, more exactly, that they are what they know.

## 2.2 Sociology of Alienation

### Dictatorship of Autocracy

By their own nature each individual aspires to greater power in order to accomplish greater benefits. The individual becomes aware of their power by comparing themselves with another individual. This act is probably alienated but has almost always existed as such and it, therefore, has to be accepted until society finds an orientation how to overcome it. On the way to reaching more power, the alienated individual can easily gain from their abilities for accomplishing superiority over another individual. Successful individuals exercise greater rights than other individuals, impose their wills upon the society or, in short, exercise power in society.

Power brings great-alienated conveniences and this is the reason why a struggle is waged among people for accomplishment of the right to power in all fields. In the history of mankind, the most blood was shed in the struggle for power. In this struggle, a stronger, more skilful, more cunning or wiser individual wins and rules the society. The power, established by force, is irrefutably autocratic and represents a dictatorship. Dictators organize the exercise of power in society on a determined territory by forming or by re-arranging a state. They fully independently establish the state order, laws, regulations and rules for regularizing the social relations. They have irrefutable legislative, executive and judiciary power in the state, and ensure implementation of their decisions by using physical force, and by proclaimed ideologies.

Dictators form or use ideologies as a means for imposing subjective visions about rules for the movements in nature. Ideologies often give an alienated answer to all questions that a frightened "society that does not know" may ask about the unknown nature. They also often determine rules for social behaviour that bring stability and convenience to society. "The society that does not know" accepts any idea that rids it of the inconvenient tension of its existing in nature. Thus ideologies bring large conveniences to the people but also they are the foundation of alienation in society.

Under the impact of ideologies, followers respect dictators on a lasting basis, with a great-alienated respect and even with awe. Such a society may be highly stable and homogenous. The characteristic of the relationship between the power and followers is that of supplements in the impotence, which mutually brings a great alienated power that is able to accomplish grandiose acts, a great stability between the society and illusory conveniences. Due to the strong links, the relationship of the power and followers may give an impression of love; however, it is not the love. Love is the product of the individual's freedom, knowledge, potency and belief in the conveniences. The relationship between the power and followers is precisely the opposite. It is characterized by great dependence, lack of knowledge and impotence and permanently represents, therefore, a sort of a sadistic-masochistic relationship, and necessarily develops the same.

On their route toward accomplishing major benefits, a dictator exploits the society. Dictators take away from the followers freedom in expressing their views, in decision-making and acting. This form of exploitation is markedly inconvenient for the followers, as it penetrates into the basic individual's essence; into what makes them an individual. That form of exploitation allows an unhampered material exploitation of the society, which is deprived of the benefits that arise from the products of social work.

Authoritative power is privileged. Privileges provide an artificial confirmation of overcoming the impotency that forms a narcissistic feature of character. A narcissistic dictator reduces the possibility of reaching the conveniences in natural relationship between people, and tries to accomplish major benefits in greater exploitation of the society. Naturally, greater exploitation cannot result in satisfaction of the needs since alienated needs are, as a general rule, insatiable. Non-satisfied alienated needs create an inconvenient tension that the individual cannot get rid of in a natural way and, therefore, the individual's organism finds an illusory satisfaction and relaxation in the perversion of the needs. In such circumstances the authoritative power finds benefits in a forced relationship toward the followers.

If alienation in society is greater, the followers find the conveniences in sacrificing in favour of the dictator, which inevitably develops the disease of the society. In a markedly authoritative society, constructive activity cannot bring benefits. In such a society, only illusory benefits can be accomplished; in fact, the society lives a biologically inconvenient life.

Autocrats never find the sources of inconvenience in their own attitude vis-à-vis the society. Instead, they assign them to subordinate members, and it is more convenient for them to pass them onto other social groups. False causes of the inconveniences and the impotence of society to accomplish benefits develop a group-narcissistic form of alienation.

By definition, such orientation glorifies one's own social group against others. As such presentation is false, it easily develops intolerance vis-à-vis other societies, which creates nationalism, chauvinism, racism, fascism and other inconvenient phenomena. Such phenomena, combined with the large destructive energy of the non-satisfied alienated society, create a programme for aggression and all social conflicts. Non-satisfied society finds illusory liberation from the inconvenient tension, and also conveniences in the superiority accomplished by destruction. As group narcissism develops to the extreme the subjectivity by which it overvalues the potency of its own group, it thus always overlooks the objective potencies that surround the group, which finishes catastrophically for the one's own social group.

The less social knowledge, the greater the authoritativeness it creates and alienation is greater; the less satisfied are the natural needs in the society, the stronger the need for destruction in society, and thus the destruction of the society and of social accomplishments is greater. Destructiveness in the society lasts until the elimination of

the protagonists of the destructive needs, because it is very hard for such a society to comprehend the way of its own constructive orientation.

The society with more knowledge seeks greater freedom, because it is the only way to accomplish greater benefits. It seeks a share in the decision-making about the rules of collective activity. The dictator does not allow such requirements as they represent a loss of their vision of conveniences. Maintaining their power equates with the vision of survival in the alienated consciousness of the dictator.

When the requirements of autocrats significantly oppose the nature of a society, tension develops in the society that forces it to rebel against the power, because there are limits that "the society that knows" cannot stand. It then directs its energy towards toppling the authoritative ruling class and its ideologies. If new forces sufficiently develop in the society, and the power sufficiently gets lulled into its potency, new forces take over the power and form new rules of social behaviours that bring greater benefits to the society.

## **Democracy**

A society at a higher level of knowledge, aware of the destructiveness that the autocratic form of power brings along, forms peacefully the changes in social relations, by concessions mutually made by both the authorities and the followers. In such a society, the autocratic power accepts to provide major freedoms and major rights to subordinate members. In turn, the autocratic power gets compensatory concessions in some other forms of conveniences that are proportional to the benefits of ruling.

The monarchies in Europe that renounced their absolute power in favour of parliamentary democracy have retained their privileged status, titles, holdings, and often exert an impact on the creation of state policies. The monarchs who have not voluntarily renounced their power to parliamentary democracy, have lost their privileges, holdings and, frequently, even their lives.

Since the Ancient times, society has become aware of the importance of public participation in decision-making processes regarding issues of common interest. This awareness initiated the development of the roots of democracy. An ideal form of democracy is carried out by a mutual agreement of all community members on the rules for collective action until consensus is established. It is sometimes very hard to reach consensus because of highly variable interests of people: however, if it is reached, such a democracy optimally aligns the society to its needs. It may enable the formation of a homogenous productive social orientation, stability and prosperity.

## **Delegative Democracy**

However, in larger social communities such as states, an agreement on equal footing about the collective action cannot be achieved because of the large number of entities

with a large number of different needs. Therefore, in socialist systems delegates are formed that represent the society in setting up the rules of social behaviour. The society elects the delegates through elections estimating the degree of their contribution to the development of society. The delegates are bound to represent the interests of their elective constituencies in the administration bodies.

The delegate decision-making system about joint activity of the society requires a broad discussion in each segment of the society where decisions are made and then, through delegates, conveyed to the administration bodies that make up the legislative, executive and judicial power. Socialist administrative bodies try in this way to form a social order that optimally meets the social needs.

There have been throughout history, several attempts to create a democratic delegate system. However, the problems emerged again with regard to the difficulties in harmonizing different interests of a large number of entities with the possibilities of the society and, naturally, the need of the people to exercise power over the society. Generally speaking, the democratic delegate system did not manage to prove its successfulness in practice.

## **Representative Democracy**

This problem is resolved somewhat satisfactorily through representative democracy. In such a democracy, the people do not participate directly in decision-making processes, but choose a party whose programs reflect their interests most. The freely organized individuals in the parties form the programmes of social relations and proclaim them to the society. The voters in elections elect the programme that offers them the largest benefits. The party that gets the largest number of votes in the elections takes over the power in the society. Such election of power is well known today by the name Liberal democracy.

The power in a multiparty system tries to set and carry out the rules for social activity in the manner that suits the society to the largest extent possible. The management that fails to meet the needs of the society loses its confidence and, consequently, the power in the next election. The multiparty form of power ensures a peaceful change of authorities, without destructive phenomena in the society, which is a great advantage of the system.

The great deficiency of the multiparty system lies in the fact that successful parties mainly follow in practice the interests of the powerful people. In the developed world, big donors finance all influential parties and thus influence the decision-making within the parties. Politicians leading the political parties are transitory and are, therefore, highly inclined to corruption. It is not necessarily the money that is in question; they may be corrupted by an attractive work post, career, earning or by friendship only. In an immoral society the corruption can take the form of recognition and in such circumstances there is almost nobody that is able to oppose it. In this way, powerful rich people cunningly

impose their interests also on traditionally leftist workers parties. As a result, there is currently almost no influential party that would support interests of the poor workers deprived of their rights.

If some politician tries to oppose the interests of the rich, they encounter obstacles everywhere. All allegedly free mass media in the developed world are controlled by very well organized owners and thus advocate their interests. Such mass media will accuse the disobedient politician of not doing their job well, will find some sort of vice, and web an intrigue. A politician who tries to oppose the rich has simply to give up, or their career will come to end. Regardless of the public interest involved in the programmes of influential parties, they will in the end pursue the policy in favour of the rich.

Rich owners of capital have created, with the help of political parties, a political system where they have control over the society. They try to bring under their control all influential factors in the society, making it their best effort not to leave things to any chance. The system is glorified through education, work, culture, mass media, social entertainment, sport. Since the "society that does not know" is suggestible, it accepts the suggestive alienated determinations of such a system.

In such a system the person as an individual does not have another choice other than to accept the alienated rules that determine their activities and opinions. Under the influence of enormous subtle propaganda they even accept what is in society good, funny, nice, tasty. They become what the society expects from them, and not what they by their nature need to be. Besides, they often do not have other choices because the alienated society rejects each member who does not accept the adopted forms of thinking and acting. The individual practically passes through a studious brain washing throughout their lifetime and, in the end, they do not critique the correctness of such a system. Such an individual elects, as a general rule, the parties that support the programmes of the rich owners of capital and the circle of the democratic farce thus closes. Although the liberal democracy oscillates between poor and no democracy, it nevertheless represents the most successful form of democracy today.

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Mankind, through its history, has undergone a multitude of authoritarian and democratic revolution. The interaction has improved society in two systems that exist today. The first of which is capitalism, which dominates the world in states around the world, and then socialism, a less successful system, which still remains in a few states. Although capitalism is more successful than socialism, it is still far from a good system. On the other hand, although socialism is a less successful system, we can still learn some good from it. In the following sections, I will present the advantages and disadvantages of both systems.

## 2.2.1 Capitalism

### Capitalist Economy

Capitalism is a socio-economic system in which the means of production are privately owned. The father of the modern capitalist economy is Adam Smith. They presented the market economy of capitalism as the "invisible hand" which leads private producers to promote the public interest through the implementation of self-interest. The principle inherent in the commodity market is that consumers freely purchase the goods that suit them best, while put in effort to produce goods more suitable to consumers. Thus, society as a whole achieves greater purchasing benefits. However, capitalism is not only good. Better producers profit from the market and worse producers are forced to close their businesses and cannot secure their own existences on their own. They are forced to sell their work to the capitalists

Capital owners are forced to responsibly direct production, because they are responsible to cover with their capital any failure in production. Workers are forced to work responsibly as otherwise they lose their jobs. The capitalistic form of production creates a systemic coercion that brings a high productivity.

The great technological discoveries of the history of mankind, such as the wheel, steam machine, electric power or information technology, always brought along an enormous rise in productivity for the economy, which increases the consumption substantially.

Higher productivity brings higher profits to producers, who then purchase more and the process renovates progressively. The economy then experiences an expansion in production. When the expansion of production is in place, a strong demand for skilled labour force emerges as well. If the demand for labour force exceeds its supply, the workers may then choose the work posts that bring them more conveniences, and may demand adequate wage. The society prospers generally in economic terms.

As each growth has its end, a large production of the market economy saturates the market and reduces the demand for the products of work. Reduced demand brings problems to the economy. The market economy is for this reason forced to develop the consumption-oriented mentality of society. If the economy fails to find new demand flows, it must reduce productivity in order to avoid losses. The economy then experiences recession. The recession of the production in a market-based form of doing business results in reduced cash profit of companies, which reduces the profits of the owners and personal earnings of workers. The lesser personal earnings of workers reduces the purchasing power of the society, and the demand for the products of work drops, thus leading to renovation of the inconvenient processes in the production.

Capitalism has never permitted full employment because unemployed workers are forced to accept low pay in order to feed their families. In this way the exploitation of

workers appears. The fundamental problem of capitalism is that it values profit over people.

During the recession that occurs in the production of a market economy, the differences appearing in the distribution of the conveniences in the society are much larger than those that the society aspiring for its own prosperity needs to allow. On one side are people without basic human rights and on the other side are rich powerful people that decide on the destiny of all. It is certainly not a good basis for a good future.

The market economy of capitalism does not have sufficient control over transitions between states of expansion and recession in production. The market solves these disorders by establishing a painful balance in which the disempowered workers suffer the most. The market economy of capitalism cannot provide stable employment for workers, stable production or distribution. It cannot achieve a stable society.

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The winners of the free market get richer while the losers fail. The winners, with the help of the new wealth, build greater power and suppress the new losers from the market. Thus, large corporations are slowly but surely taking over the market and small companies lose market share. Big banks grow as small ones decline. The owners of corporations become increasingly wealthy while the people become poorer and poorer.

The owners of corporation support liberal democracy because it gives the illusion of fairness in society. But there is no justice. The owners of corporations finance political parties that suit them. Large donations allow these parties to win the election. Thus, owners of corporations exercise control over governments of countries. They control media as well so that political parties which do not have their support cannot win the election. By controlling policy they control science, culture, they make virtually all important decisions in society. Through the media they also define the value and needs of people. Through media they control people's minds and direct them wherever they want. When they do not like something, such as my philosophy, it does not have access to the media nor to the people.

Governments, controlled by the rich, promote privatization as the best economic solution. The owners of corporations have managed to privatize even the central U.S. Bank; the U.S. Federal Reserve. Thus, when the U.S. government needs money it borrows it from the Federal bank that is privately owned. The Federal bank does not have enough money so it issues money in order to lend it to the US government. The rich people actually produce money. Sooner or later, the US government returns the money under the conditions that the owners of capital determine. There is no safer investment than in the state. There is no greater power than the one that comes from it either. There is no safer exploitation of society than that. The richest country of the world, America, through intervention from big capital, has become the most indebted country in the world. Its debt exceeds the gross national income.

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In order to stimulate the working activity of citizens from which they undoubtedly draw out benefits, capitalists have suppressed the principles of cooperation among the people and have imposed a system of competition. This results in fear and egoism, in which an individual becomes a wolf to another individual. Everyone fights for survival. Consequently, destructiveness is brought to practically all fields of social behaviour.

The capitalist propaganda propagates the system of liberal capitalism as a system that offers an equal opportunity to everybody. This is, naturally, not true since the rich hold a markedly privileged position in any respect. Privileges are based on enormous capital that helps them push the competition away. The system is ruthless towards the losers, which is clearly seen in the example of the United States of America.

The United States of America is the richest country in the world; however, some of its citizens still suffer famine. This state has millions of homeless people. In this country the average inhabitant lives modestly. They get basic education that allows them to perform only the simplest work; such an education's goal is to make them obedient consumers. They work very hard for a low wage, and live moreover in a permanent fear from losing their job. As a general rule, they do not have satisfactory health insurance because it is costly (About 20% of the citizens of the US do not have any health insurance). In 1993, a worker with minimum wage income in the USA, being one of many in that bracket, earned a personal income 60,000 times smaller than the President and the CEO of Walt Disney Corporation. Yes, you have just read the correct figure.

The enormous social differences develop crime in the United States. Its inhabitants often do not leave their homes after it gets dark because they do not feel safe. Almost 1% of the US population is in prison, and the same percentage is under criminal proceedings. It is a matter of almost 5 million people and, therefore, one cannot speak of the criminal, but of the political problem of the unhealthy system.

The average American is a modern slave of the rich, and propaganda has persuaded them that they are free. They are so indoctrinated by propaganda, that they do not even know that the situation can be better. The USA is probably the most alienated country in the world, full of stress, patients with psychological diseases, the country with the high rate of alcoholism, drug addiction and crime, the country of broken marriages, loners, eccentric persons. Annually one of ten thousand inhabitants of the USA commits suicide. Michael Parenti wrote more about that.<sup>1</sup>

No other stronger proof than the above is necessary to show that the liberal democracy is also undemocratic as it essentially represents a disguised dictatorship. Thus, in the multiparty system the real decision-making is alienated from the population, and contributes to the alienation of the society. The individual has no influence on the forming of the rules for joint action. The individual remains impotent.

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<sup>1</sup> Dirty Truths, Michael Parenti, <http://www.michaelparenti.org/DirtyTruths.html>

## Capitalist policy – Neo Imperialism

The rich have created a masterful product of their interests in the United States and are trying to impose such a system upon the whole world. With the wealth that they possess they control the governments of Western countries. They are especially influential in the U.S. and the UK and from there they pressure the whole world. They impose their will through the UN Security Council. They impose their will on the EU. Even the Arab League makes decisions at their discretion. By the help of the American and Great Britain governments, they have the highest impact on the IMF and the World Bank, which lends money throughout the world. And so, they can set whatever conditions they want for granting any loan to any country and thus impose their will on practically all countries of the world.

Their organization is nicely reflected in the manner in which they imposed their order upon the Eastern European countries. It is undisputable that the socialist states were in crisis. It is also undisputable that they set in motion a huge propaganda mechanism that imperilled the orders in these countries. It is more difficult, though, to prove the fact that they have caused revolutions in all of these countries. The tycoon George Soros, who calls himself a philanthropist, donated one billion dollars to the countries in Eastern Europe for the purpose of an "open society" development. One who knows well the capitalist system is very well aware that there is no philanthropy or humanism there. Instead, it is exclusively the economic interest that has the main say in such a system. The quantity of money allocated as a grant to the East European countries cannot belong to George Soros alone even though they must have possessed many times a larger amount of money. It points to the high degree of organization of the world's rich.

The large donation to the Eastern European countries offered a possibility to western tycoons to exert influence on the creation of internal policies in these countries. Soon came the request for the introduction of liberal democracy, a fast and drastic introduction of the market economy, which resulted in the closing down of plants, unemployment, and a significantly greater work burden on workers. Big capital has invested a lot of money in former socialist countries because work is radically less expensive than in the West. Thus, the standard of living of many workers increased, but not for the majority, and the unemployed, who were previously practically non-existent, are worse off than before.

Following the degradation of the already bad socialist economy, Eastern European countries unavoidably need new loans. Special lending terms and conditions will not, however, allow them to pull themselves out of the inconvenient position. Anything of worth in these countries has already been purchased cheaply by the world rich, or will be purchased cheaply under pressure. In this way, the countries in Eastern Europe have become economic colonies. In this way, money invested in the "open society", was returned in amounts many times larger through the exploitation of these countries. Allowing Soros's "open society" to enter a country meant *de facto*, allowing entry to the enemy. There is no need for one to be too intelligent to suppose that they are planning

for these countries a life of non-privilege much worse than that in the States where life is already markedly bad.

Naturally, the alienation forces the rich to increase their power. When they are not able to achieve their objectives by diplomacy, complots and cunning, they then resort to the use of the power they possess and in that regard do not differ much from Napoleon's or Hitler's conquests. The markedly autocratic system of the West revealed in the example of the aggression against Yugoslavia that it is acting in a more cunning manner, but that it has not evolved if compared to the earlier dictatorship systems.

## **Conspiracy Theory**

The aggression against Yugoslavia began in the late 1980's, when the International Monetary Fund raised political demands for loans.

Under IMF policies, Yugoslavian GDP sank in 1990 by 7.5 per cent, and by another 15 per cent in 1991. Industrial production plunged 21 per cent. The IMF demanded wholesale privatization of state enterprises. The result was the bankruptcy of more than 1,100 companies by 1990, and more than 20 per cent unemployment. The economic pressure on the various regions of the country created an explosive cocktail. Predictably, amid growing economic chaos, each region fought for its own survival, against its neighbours. Leaving nothing to chance, the IMF ordered all wages to be frozen at the 1989 levels, while inflation rose dramatically, leading to a fall in real earnings of 41 per cent by the first six months of 1990. By 1991, inflation was over 140 per cent. In this situation, the IMF ordered full convertibility of the dinar and the freeing of interest rates. The IMF explicitly prevented the Yugoslav government from obtaining credit from its own central bank, crippling the ability of the central government to finance social and other programs. This freeze created a de facto economic secession, well before the formal declaration of secession by Croatia and Slovenia in June 1991.<sup>2</sup>

Under external pressure, elections were held in all the republics. In the western republics pro-Western oriented parties came to power, while in Serbia the Socialists remained in power. Western republics adopted rapid privatization of enterprises. Serbia had also embraced privatization but gradually and limitedly. I am convinced that this was the main reason Serbia was accused of all the evil that occurred later. In response to the Serbian resistance, the West supported the pro-Western oriented republics that were seeking independence. World imperialists masterfully implemented the old proven formula "divide and conquer" in Yugoslavia. It destroyed the country in the end. Yugoslavia was thrown into a bloody civil war which set the people back decades. If we exclude the privileged members of society, people now live either worse or much worse than people used to in Yugoslavia. Only the world imperialists and their cronies benefited from it.

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<sup>2</sup> A Century of War – p238, William Engdahl, Pluto Press, 2004

World mass media had unanimously misled the world about the reasons of the crisis in Yugoslavia, which was of course, another form of aggression against Yugoslavia and support to secessionists. Under the influence of media and pressure from world imperialists, all countries around the world acknowledge the violent secession of the Yugoslav republics as contradictory to international law. Helsinki Convention expressly forbade the violent change of borders in Europe.

The Republic of Serbia was declared guilty for the war and that UN economic sanctions were imposed on it. I must stress that this was totally unfair. American administration was so bothered by Serbian stubbornness that in 1999 it presented an ultimatum request to Yugoslavia to withdraw its sovereignty. Yugoslavia could not accept it and that was the reason it was attacked. The aggression against Yugoslavia was made in violation of international law and the UN Charter; it was contrary to the constitution of America and NATO. The attack on Yugoslavia was a fascist aggression carried out mainly by left-wing labour and democratic parties that were in power in NATO countries. NATO is definitely the army that carried out the interests of the wealthiest people in the world and they are the owners of it. By attacking Yugoslavia NATO has become a terrorist criminal organization. Yugoslavia had given in but did not capitulate. It was colonized by fraud, and only then was peace restored.

I have been a witness of the events in Yugoslavia and they undoubtedly give me the idea that there must have been a conspiracy against Yugoslavia, but I did not know who was behind it. Formally, the aggression against Yugoslavia was launched by U.S. President Bill Clinton. He could not have been interested nor had reason to initiate aggression. So why did he? Do you remember the Monica Lewinsky affair in which U.S. President Clinton lied and faced impeachment? That affair was aired daily in the media for almost two years while Bill Clinton did not surrender under the pressure to attack Yugoslavia. The case was completely forgotten at the time the aggression began. I ask myself who is able to force the American president to commit a crime? You can hear everywhere that the owners of the corporations are the most powerful people. Does this mean that the owner of a powerful corporation came to Clinton and ordered him to attack Yugoslavia? No, it is not possible. The aggression on Yugoslavia was structured by a strong organization.

The organization that had forced President Clinton to commit crime must be composed of the most powerful people in the world. Could the members of this organization be equal? Joining on the basis of equality implies mutual agreement between associated parties and that implies the possible lack of agreement and dispute over prey but there was not any. This suggests to me that the structure of the organization is hierarchical with the absolute authority at the head. This means that we have a secret master who rules the world. The master deploys the tasks to their subordinates and determines the allocation of profits after which there is neither conflict nor objection. After researching I came to the conclusion that the Western world, which largely means the entire world, is governed by the head of the Rothschild family. His name is Jacob. The results of my investigation are presented in the articles: "Has the Antichrist Come?"<sup>3</sup> and "My debt to

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<sup>3</sup> Has Antichrist Come? Aleksandar Šarović, [http://www.sarovic.com/has\\_antichrist\\_come.htm](http://www.sarovic.com/has_antichrist_come.htm)

Yugoslavia"<sup>4</sup>

Jacob Rothschild is best known for his love of arts because he hides his power. Why? This way he runs the world and nobody can call on him to be responsible for his evil deeds. I guess he keeps his power so secret that even his closest associates have no insight into how powerful he is.

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The Rothschild family organized banking jobs across Europe in the early 18th century that soon spread to the whole world. At that time, they were by far the richest family in the world.<sup>5</sup> Soon after followed the industrial revolution and the colonization of the world in which they surely got richer. But during this period they withdrew from the public, pretending they are not that rich nor influenced. It was a huge cunning trick. Today, the Rothschild family is nowhere on the list of the richest families in the world. They present themselves as a modest banking family. However, I am convinced that they are still by far the richest and most powerful family in the world and that they rule the world secretly and by doing so are virtually unmovable from power.

The Rothschild family increases its wealth and influences in the world and yet remains invisible to the public. How do they achieve it? The Rothschild family gives large amounts of money to people to run businesses for them. These people become their agents. They sign contracts which give agents some share of ownership that they manage and the agents, in return, try hard to earn more money for the Rothschild family. The Rothschild family often chooses agents among people who have problems making ends meet. Such people are happy to accept cash deals from Rothschilds and are very grateful and loyal. When these agents establish profitable businesses, they give money to new people and create the next wave of agents. The Rothschild family, through their agents, also gives people influential awards and positions around the world. Then they blab something on TV while supporting the general orientation of the Rothschild family, earn a lot of money, and in return are very loyal to those who gave them the opportunity to do so. Thus, the Rothschild family built a secret hierarchical structure of agents with which they rule the world.

Located at the top of this structure are most likely the families Rockefeller, Morgan, Wartburg, but no one can link them to the Rothschild family even though they are surely associated. Somewhere a lot lower on the hierarchy structure Warren Buffet and George Soros were recently introduced. Some families have been exposed to the public and many are completely withdrawn. Russian tycoons like Abramovich, Guzinski, Khodorkovsky and whole armies of unexposed wealthy people are at the bottom of the structure. How did they become rich? Some agents of the Rothschild family approached them and offered big money to run businesses on their behalf and that's all. Many of them fail but it does not worry the Rothschilds much because those who succeed earn enough and prevent the appearance of any competition. That is how a secret

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<sup>4</sup> My debt to Yugoslavia, Aleksandar Šarović, [http://www.sarovic.com/debt\\_to\\_yugoslavia.htm](http://www.sarovic.com/debt_to_yugoslavia.htm)

<sup>5</sup> Rothschild Family, Wikipedia, [http://en.wikipedia.org/wiki/Rothschild\\_family](http://en.wikipedia.org/wiki/Rothschild_family)

organization that rules the world is built. Some call this organization Masons and its top Illuminati.

The Heads of State are part of the structure even though they do not necessary know it. They receive large donations and media support from agents of the Rothschild family, without whose help they could not be elected presidents. Therefore they are very grateful. With their help, the Rothschild family rules over all important international organizations including the UN. The family is able to realize almost anything they want in the Security Council of the UN because the majority of member states are under its control. That is how the Rothschilds rule the world. However, Russia and China could still stop them by use of veto in the UN.

With the help of their agents, the Rothschilds keep under their control most of the governments and corporations of the world. But that is not enough for them. They want to put all the companies and governments around the world under their control. They use economic and political power to pressure independent states in the world to obey their requirements. If a country opposes the Rothschilds it is written on a blacklist and suffers economic and political attacks that are aimed to destabilize it. If they are not successful, then follow the military attacks by NATO. NATO is their private army.

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The terrorist attack on the World Trade Center 911 in New York is the result of aggressive U.S. policy throughout the world. Some conspiracy theorists accuse the U.S. government for the terrorist act. Some believe that the U.S. government set explosives in the World Trade Center in case the aircraft would not be enough to break it down. This is nonsense. When nonsense is involved, films are immediately produced with the mission to deceive the people. The US government has been accused because it is a symbol of power and injustice in the world, and that is not without reason. Besides that, people cannot do anything against the US government and that legitimates injustice in the world. This is one of the invisible objectives of conspiracy. If the investigation still opens as to whether the US government set explosives in the World Trade Center, the result would be that the US government was unfairly accused. This does not mean that the Rothschild family did not participate in the attack on the World Trade Center through its Arab partners, but no one accuses them.

America, controlled by the Rothschilds, used this attack in the interests of big business. Immediately after the terrorist acts, U.S. President George Bush reduced the civil rights and liberties of Americans and, to retaliate, planned attacks on Afghanistan, Iraq, Syria, Lebanon, Libya, Somalia, Sudan and Iran. It was stated by U.S. Gen. Wesley Clark on the TV show 'Democracy Now' on 2.3.2007.<sup>6</sup> The General of the American army's statement did not awaken any interest in the American justice department nor the American media. Why? Because the Rothschild family controls the American government, judiciary, and media. The strongest influence to the authorities in America

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<sup>6</sup> The Plan, Wesley Clark, Democracy Now, Youtube, <http://www.youtube.com/watch?v=SXS3vW47mOE>

comes from the American Israel Public Affairs Committee - AIPAC.<sup>7</sup> It was never an important fact for President Bush that most terrorists were of Saudi origin. It never came to his mind to invade Saudi Arabia because it is already controlled by the US and the Rothschild family; he attacked only the states that are not controlled by the US and the Rothschild family.

The aggression on Iraq<sup>8</sup> was a clear crime under any law dealing with aggression on a country. The aggression began with U.S. President George W. Bush and UK Prime Minister Tony Blair on charges that Iraqi President Saddam Hussein produced weapons of mass destruction (WMD). An investigation later showed that all the accusations were false. To anyone who made at least a little effort to objectively examine the developments in the world must be certain that the aggression on Iraq was conducted for control over Iraqi oil. Only people who will provide favorable oilfield exploitation to the Rothschild family can be in charge of Iraq. U.S. President George W. Bush, through the aggression in Iraq, killed hundreds of thousands of Iraqis and more than 4,000 of its own troops while wounding 30,000 others. In addition, George Bush spent one trillion U.S. dollars on the war that must be returned by the American people. Because of the war in Iraq, every American citizen now owes \$ 3,000 more to the American Federal Bank.

Libya was under economic sanctions established by the United Nations relating to Libya's alleged involvement in the "Lockheed affair" where a plane crash killed passengers. Suddenly Libya's economic sanctions were lifted. Then in the name of reconciliation with the West, Colonel Gaddafi was invited out of Libya. This was done with the intention to bring his guard down while organizing armed insurrection in eastern Libya behind his back. They knew that Gaddafi will choke off the insurgency and therefore they prepared in advance and quickly pushed through the UN ban on Libyan aircraft flights. The flight ban gave the NATO pact right to fly over Libya, but it never allowed NATO to be put at the service of Libyan rebels. However, NATO, the private army of the Rothschild family, has done it yet because it is above the law. The Libyan rebels were victorious because they got laser devices to guide NATO bombs. Wherever the rebels and the regular Libyan army clashed, NATO's laser-guided bombs destroyed the regular Libyan army. Libyan rebels, otherwise, could not defeat the regular Libyan Army and especially not in such a short period of time. Gaddafi was killed and at the head of Libya's people will come an obedient person who would follow the interests of the Rothschild family. In any other case, these people would not be in power. It is interesting to note that the son of Jacob Rothschild, Nathaniel, is a friend of Saif al-Islam, son of Muammar Gaddafi. Jacob Rothschild is a monster who hides his character and portrays himself as a philanthropist.

The media in the world have stated that the attack on Libya was a mistake. That was really a big mistake to the people of Libya because they are now much less better off. That was also a big mistake to the Western governments because they did not produce anything positive through the intervention. They actually produced a large number of

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<sup>7</sup> AIPAC, Wikipedia, [http://en.wikipedia.org/wiki/American\\_Israel\\_Public\\_Affairs\\_Committee](http://en.wikipedia.org/wiki/American_Israel_Public_Affairs_Committee)

<sup>8</sup> Iraq War, Wikipediija, [http://en.wikipedia.org/wiki/Iraq\\_War](http://en.wikipedia.org/wiki/Iraq_War)

refugees from Libya who tried to escape to Europe. But for the Rothschild family it was not a mistake. Indeed they have achieved their objectives fully. They deliberately produced chaos in Libya in order to dismiss Gaddafi who opposed them. They quarrel with people in order to more easily establish authority over them. One could say that Libyan oil does not belong now to anyone, but this is not true. It is just stored for future use and belongs to the Rothschilds family, but nobody knows it. One day a government will be established in Libya after who knows how many years of exhausting struggle. It will have no choice but to be cooperative with the Rothschilds. Libya will become a colony like other countries in the Western world.

The same thing happened in Syria. Only unlike Libya, or Yugoslavia, Syria has newer generation Russian anti-aircraft missiles that could shoot down the NATO planes. That's the only reason why NATO does not attack. Everything else is the same. Western countries have established economic sanctions on Syria. They proclaimed rebels in Syria for the legitimate representatives of the country. They are arming the rebels, which prolongs both the war and the terrible situation in the country. That is how the rebels named ISIS appeared. They broke out from the West to fight for their own interests against the interests of the West. Again, the Western media states that the West made a mistake. I am not sure about that. Fear of ISIS promotes the development of the military industry and brings profit to big capital. Big capital is partial to the refugees fleeing to Europe because they create antagonism in Europe which spreads hatred amongst people. The chaos occurring in the world assists big capital in ruling over the people. Nothing happens by chance.

You may not have noticed, but the shift in power in the Middle East only occurs in countries that are in the Russian zone of interest, that have Russian weapons. In countries that are in the American zone of interest, that have American weapons, in which America has control, no change of government comes about. In the Middle East, all countries are more or less the same. Why do riots only take place in countries of Russian interest? Perhaps because these countries are independent from the West and the conqueror of the world wants them under his rule. It goes without saying; the invaders of the world want to conquer Russia as well. They colonized almost every country on route to Russia. Now they are trying to isolate Russia politically and economically.

The recent revolution in Ukraine had just that objective. Again, the criminal Western governments launched a revolution in a foreign country, again committed a coup against a foreign government, and again the mass media misinformed the Western public by spreading lies concerning the events. The Russian President Putin is groundlessly declared as the aggressor in Ukraine by the highest representatives of Western governments. Russia opposed the Western governments rightfully and therefore entered a political and economic confrontation with the West. This conflict will last because the West will not give up on its goals, nor will Russia give up its sovereignty.

There is no doubt that America organized insurrections in all socialist countries because it was a priority of the American cold war policy. They attacked China in Tiananmen Square in Beijing, prompting protesters who demanded political change in China. China resolutely prevented American interference in its internal affairs by expelling the protesters. Thanks to the suppression of the attempted coup in Tiananmen Square, China did not fall apart; it is not in the ruins of a civil war or a colony of worlds rich. It is worth mentioning that the Western mass media then reported that the Chinese army committed a massacre by shooting protesters. The morning after this "massacre" one protester defiantly stood in front of a tank, obstructing its passage, which I find hard to believe he would do if the Chinese army fired the previous night. The Chinese tank bypassed him.

American presidents publicly represent the interests of big business in all conflicts around the world. How can they profit from it? They cannot. They do not even know the happenings in the world because they receive very selective information, or even misinformation. Similarly to you, dear people. President Obama receives instructions from numerous advisers. He himself chooses these advisers, but only from among people who support the policies of the Rothschild family, because others do not have access to him. He is a puppet on a string.

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The Rothschild family has established the International Court of Justice in Hague. The International Court of Justice is very much needed but it must judge everyone equally using internationally accepted laws and criteria. This is not the case with the tribunal in Hague. The U.S. government has openly stated that this court may not apply to U.S. citizens. Formally, this court is not legal because it was not accepted by the Assembly of the UN, but by the Security Council in which the Rothschild family controls a majority of the member states. The International Court in Hague was founded with the intention of preventing any resistance to the hegemony of the Rothschild family. That court, among others, is funded by George Soros, undoubtedly an agent of the Rothschild family. Colonel Gaddafi was accused by the International Court in Hague for crimes against the people of his country where the insurgents overthrew him through violent rebellion. President Milosevic was accused by the International Court in Hague for crimes that were not proven for the four years of the trial. He was killed at the court by the stress he had been exposed to and by inadequate medical help. The president of the Serbian Radical Party, Vojislav Šešelj, was accused by the International Court in Hague for crimes committed during the civil war in Yugoslavia. He surrendered voluntarily to the court. Vojislav Šešelj has rotted in prison for over eleven years without verdict. They let him out of prison without verdict when they found that he was seriously ill with cancer. This is only possible in the Rothschild's Court. In the International Court in Hague, the villain gets the legal right to condemn their victims.

The Rothschild family loves liberal democracy because it allows them to finance and support, through media, parties that suit them wherever in the world this form of democracy exists. Hardly anyone could resist them. Russia was only successful thanks

to the popularity of President Vladimir Putin. The Rothschild family is working hard to break his popularity. One day, Putin may lose his popularity and then his position could easily be replaced by people obedient to the Rothschild family. Russia would also become part of NATO and all the wealth of Russia would be very cheaply purchased by agents of the Rothschild family. Likely the same fate awaits Iran.

The so-called one-party communist countries such as China, North Korea and Cuba are the biggest obstacles to the Rothschild family and that is the reason they are attacked by the press in the west. If the Rothschild family were to completely overrule the world of liberal democracy, then the communist countries would remain isolated and suffer from political and economic pressure worldwide. Will China fall under pressure before the Western countries collapse under their own problems, I do not know. What I do know is that society often found solutions in such situations through destruction and it can be easily repeated. The Rothschild family has long been preparing the people for it by exposing people to brutal reality, brutal movies and television shows.

This is a thoroughly studied conspiracy that has been developing for centuries and elaborated in detail. The aim of the conspiracy is to pool together all the countries around the world and to form a world government under the control of the Rothschild family. This government will at least rule in the same way as today it governs the Western world. The Rothschild family plans the association of all the companies around the world. This will be developed naturally to the formation of a monopolistic producer globally. This is probably the future of the economy because it is easier to plan and execute a stable production this way. The problem lies in the fact that the Rothschild family, as the majority owner of the world company, will take the legal right to manage the company and that means it would control the whole world. Already today they own the majority of the Western economy but they hide it. They plan to transform the principle ownership of the economy into the principle decision-making in society. In other words, they intend to become the absolute authority of the world leaving the people completely disempowered. Imagine what might happen to people who are fired from such a company. Already today's capitalism is very close to feudalism or even slavery.

In order to rule the world, the Rothschild family had established a recruitment center for politicians and corporate executives in the so-called Bilderberg group<sup>9</sup>. Officially, their meetings serve government and corporate leaders to advise each other in terms of international relations and economics. In reality this advice comes from the Rothschild family only. All candidates for Presidents of major countries in the Western world and big corporation executives are elected because of their presence at these meetings and the advice helps them stay on the Rothschild's track. Their main characteristic is gratefulness to the person who give them the chance to obtain high positions in society and that is why they provide absolute support to such people. Very few of these people even know that at the top of the pyramid is the Rothschild family.

The power of the Rothschild family is greater than that of any emperor in the history of

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<sup>9</sup> Bilderberg Group, Wikipedia, [http://en.wikipedia.org/wiki/Bilderberg\\_Group](http://en.wikipedia.org/wiki/Bilderberg_Group)

mankind. They do not have absolute power; however, they possess unbelievable political and economic instruments used for coercion anywhere around the world, ensuring in this way that their will be implemented more efficiently than what could have been imagined by any emperor in history. I wrote the article: Jacob Rothschild is guilty for the conspiracy against humankind.<sup>10</sup>

Although the Rothschild family is far more prepared than their predecessors, they make the same mistakes as their predecessors. They cannot conquer the whole world because people would revolt even if they were confined in golden cages. People primarily need freedom.

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Capitalism has its own internal contradictions that will sooner or later draw it into a deep crisis from which it cannot escape and then it will become very aggressive. Already today we are witnessing excessive economic disparities among countries and people. This outlines major problems in the future, starting with crime, uncontrolled migration, to all kinds of wars. Moreover, capitalism is built on huge production which wastes our natural resources senselessly. The lack of natural resources along with such a wasteful spending will inevitably lead people to fight for survival. If something does not significantly change sooner or later it will undoubtedly lead to wars in which a large part of humanity will be erased from the face of the earth. We must prevent it by forming a far better society.

The ideology of capitalist liberalism can no longer contribute to the development of society. The time has come to let it go. Mostly what preserves capitalism is the lack of a better system to replace it. I have formed and proposed it in this book. This system must be based on equal rights among the people. It must provide freedom to every member of society. It has to use natural resources rationally because there is neither a possibility nor need for continuous growth in productivity. It has to shorten work hours to be able to create jobs for all people and increase the quality of life for all. It is too hard of a task for capitalism. Besides that, the future will require the introduction of cooperation between workers, companies and countries. This last task is impossible for capitalism which means that changes in the political and economic system are necessary to achieve a better future for mankind.

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<sup>10</sup> Jacob Rothschild is guilty, Aleksandar Šarović, [http://www.sarovic.com/jacob\\_rothschild\\_is\\_guilty.htm](http://www.sarovic.com/jacob_rothschild_is_guilty.htm)

## 2.2.2 Socialism

### Socialist policy

Socialists have tried to form social relationships that realize equality among people as a reaction to the marginalization of people. At the top of the group rose Karl Marx. Marx believed in a delegative form of democracy. He called upon the working class to unite and decide their fate for themselves. He was absolutely correct in this. On the other hand, Marx argued that the antagonism between workers and the owners of the means of production can be solved only by the socialist revolution. He was very wrong here. Marx should strive to form and strengthen the unions which could fight for the rights of workers through negotiations with capitalists. One measure that could significantly help the society is to shorten work hours proportionally to the unemployment rate. Then the market would align the supply and demand of labour and the income level to acceptable ranges for both workers and capitalists. This could solve the problem and bring prosperity to society.

The violent seizure of power is inconvenient because it requires a high degree of destructiveness. Besides, in order to organize, implement, and ensure social revolution, a new leadership is generally autocratic, and therefore extends the alienation in society with all the unfavorable phenomena. Lenin used Marx's philosophy to perform the socialist revolution but he completely removed Marx's notion of equality of people claiming that workers have not developed enough knowledge and consciousness, and therefore they must be guided. Thus, blabbers who "knew" how society should develop joined the social scene. Referring to Marx, these blabbers largely represented their own interests. Under the influence of Lenin, all socialist states typically had the same presidents over the span of a lifetime that imposed their wills upon the people more than kings could. Thus, socialism has formed a very inefficient and unhealthy economy that destroyed socialism and the left political and economic orientation.

Lenin took direct management over the society naming it "the dictatorship of the proletariat". His ideology was acceptable for the society as it proclaimed the equality, solidarity, "brotherhood and unity" among people. However, equality was never established and unity in reality did not allow an option that would differ from the ruling one. The delegative form of democracy was completely destroyed. Delegates alienated themselves from society and no longer transfer the will of the people to the centre, but convey the will of the centre to the people supported by the repressive state apparatus. Such a system did not enable the society to freely decide and solidified the power of autocracy. In this way, the dictatorship system gets renewed in the society where the person as an individual becomes impotent. Then all the inconvenient phenomena of the alienated autocratic social emerge order.

Revolution cannot bring good results because no violence can ever bring good. In addition, only a majority of hungry people could raise a revolution and hungry people in the west barely exist. Yet even today, many social scientists naively expect a revolution

that will change the Western world. It seems to me that liberal democracy supports Marxism because it directs political competitors to the wrong path.

## **Socialist Economy**

The socialist form of production understands social ownership of the means of production. Since the society has not found a peaceful way of transforming private into social ownership of the means of production, it has been forcedly taking away the private ownership, which makes the private capital owners deeply dissatisfied. Such an act represents the negation of the differences in the productive power of workers' past labour, which would also have to consistently require the negation of the differences in the productive power of the current and future labour of workers. Such an attitude supposes that all workers are equally productive and deserve, therefore, equal share in the distribution of the product of mutual work performance. Such distribution system lacks the income-based work stimulation, so that the operation result is below expectation.

Furthermore, the socialist form of production would need to understand a democratic plan and organization of production and distribution. A democratic planned economy needs to generate the products in a quantity and of a quality precisely as needed individually and collectively by members of the society. The idea of a planned economy is correct, but only if it is democratically formed because only then can it follow the needs of people. In the past, a democratic planned economy could not have been successfully implemented because computer technology that can quickly register the needs of all the people did not exist. Since society has not acquired the knowledge and, consequently, the possibility of forming democratic planned economies, it has created an authoritative planned economy. In such a system, the political power bodies assume the role of planners and organizers of the production and distribution in the name of the society.

A centralized form of production planning may successfully follow the basic interests of an undeveloped society, such as food, housing, education, health care, culture or sports, as such needs may be successfully envisaged. In the beginning, the socialist system brings great prosperity to the society because, as a reaction to repressive exploitation systems, a strong enthusiasm emerges that inspires the people in their building of a better future. In such a system, the authorities introduce a unique production organization that may achieve full employment of workers, a satisfactory productivity, a stable business activity, and satisfaction of the basic social needs. The people get free education, social and health protection, and income sufficient to meet all their basic natural needs. The initial working enthusiasm contributes to a significant rise in the living standard. The people are satisfied and the rate of crime is low.

However, as time passes, enthusiasm in the society falls and big problems emerge. The planned economy determined from one centre could neither register nor plan the special needs of the society members. An economy not having an objective overview of

the social needs cannot make a successful work programme. In such a system the consumer has no possibility of election of the consumption and, therefore, the economic system exerts violence over the consumers.

The planned economy is not subject to the market criterion of the cost of labour, and employs all workers, while at the same time protecting their work posts as a reaction to merciless exploitation systems. The protected work posts create a closed structure that obstructs the production process. The work loses creativity and becomes monotonous and non-stimulating in productive terms. Protected workers are privileged and can, therefore, inflict inconveniences to other members of the community in the form of insufficient work engagement when it is necessary to other community members. The system has developed a very strong political responsibility in order to protect itself; however, it has not managed to create a successful mechanism of economic responsibility. Simply, the system could not send each insufficiently engaged worker to prison, and could not offer a real economic stimulation. Moreover, workers without any right to decision-making do not accept social ownership as their own, and thus behave irresponsibly toward the same.

That should all be thanks to Karl Marx who wrongly directed the Left political orientation. By studying the "widest" law of movements in society through dialectical and historical materialism, Marx concluded that the free market should be abolished because of the exploitation of workers. This is probably the biggest mistake in the intellectual history of mankind. This error has prevented the development of society. By proposing the abolition of the market, Marx removed the scale that enables the effective performance of the economy. By abolishing the market, Marx abolished the categories that define the productive producers, quality of goods, demand, objective price and earnings. He actually beheaded the economy. Marx was aware of it and so he offered a substitute for the market economy with a planned economy based on people's consciousness. The consciousness to which Marx called upon is an idealized construction that cannot be explicitly defined and so everyone can interpret it as they wish. Even a murderer could find an excuse in his conscience for the crimes he commits. A system cannot be based on idealized values. Idealism is even contrary to Marx's materialist philosophy.

Marx did not see that the abolition of the market economy not only abolishes the exploitation of workers but also the only possible basis for the establishment of a healthy economy. The problem of the market economy is not too much market, but in fact, not enough, because the labour market is completely undeveloped. The developed work market requires free access for each worker to every public workplace at any time. It is possible to realize only in public companies in the manner that at every workplace a worker who offers the highest productivity, greatest personal responsibility, and the lowest price for current work should be hired. Only then would people be truly equal, only then would we have socialism.

Taking into account that this idea has only just begun forming, socialism never stood a chance. An authoritative planned economy tries to overcome all such deficiencies by forming an ideological, working and humanitarian consciousness; however, this is non-

achievable with the bureaucratic, authoritative forces that coordinate the activity and distribution. On its route to achieving major benefits, the autocratic power aspires to control all relations in society, thus not differentiating much from extreme dictatorial regimes. Such control oppresses the society and is, therefore, doomed to failure, as have all dictatorships failed. Regardless of the initial success, the authoritative planned economy is alienated, non-productive, lacking perspective and is thus, potentially destructive, which is also visible in the example of the breakdown of the so-called "real socialism" in the world. Consequently today's socialism based on its results is also very close to feudalism and slavery.

### **3.0 Humanism**

### 3.1 Study of the Process of Disalienation of a Commune

The history of mankind is the history of the individual's powerlessness, and of the rule of authority, the history of authoritative, imposed and, therefore, alienated categories of values, of the alienated activities and, consequently, of alienated knowledge. The history of mankind is a history of alienation or alienated history.

If you think that the development of society has improved the situation today you are wrong. It has only brought new forms that hide the needs of individual to take control over another individual. Today most presidents of the countries swear about democracy but in reality they successfully avoid it as much as it is possible because they like to keep power in their own hands. Most priests pray to God that Jesus comes soon but in reality they would like much more to keep the right to interpret their words the way it suits them best. Most company owners swear by the free market but in reality they try hard to create a monopoly for themselves. Most teachers are convinced that they love to spread knowledge to students but in reality they prefer to rule over the students with the knowledge they have acquired. Most parents swear to God about their love for their children but in reality they love the power over their children. The situation follows the pattern of these samples almost everywhere. All people incline toward privileges. The problem is that privileges are evil for both the privileged people and the whole society.<sup>11</sup>

There is no doubt that all these rulers suppress the people in every moment of their lives. Once the individual becomes aware of themselves in such a society, they are already linked with the influences of alienated generations, and are forced to accept the alienated world, as the other world is inaccessible, they do not see it. If the individual tries to overcome the inconveniences that stem from alienation, it would be hard for them to reach any good result because the alienation has taken their the ability to recognise their natural needs, because they already largely think through the alienated premises of comprehending the causes of the inconveniencies, because they came across the obstacles of the alienated society.

Because of the lack of objective knowledge, the alienated society is subject to accidental selection of determinations that stem from the alienated visions of conveniences. Such a society is inclined to idolatry, fetishism, and very superficial election of vital determinations. The individual in an alienated society bases their own belief in the conveniences on alienated assumptions and therefore, sooner or later, experiences disappointment. They come into contradiction with their own nature, which brings them great inconveniences. When in real life the individual's alienated needs come across obstacles in their alienated consciousness, their vision of survival is also endangered. Then the very doubt in the correctness of their orientation brings tension that pushes them to strive for the alienated vision of survival. Such a struggle may, without objective reasons, endanger other people.

The endangering of the individual's alienated needs brings along aggression by which the alienation may be recognized. Such an individual is waiting for any opportunity or

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<sup>11</sup> Privileges are evil, Aleksandar Šarović, [http://www.sarovic.com/privileges\\_are\\_evil.htm](http://www.sarovic.com/privileges_are_evil.htm)

authoritative invitation to act aggressively. If the individual forms a narcissistic vision of consciousness, they then induce a great destruction toward their environment. A destructively oriented individual destroys the conditions for the exercise of their own benefits. Instead of purifying their thoughts, drawing conclusions within the limits of their possibilities, and then moving forward, such an individual passes through life blindly with strong destructive emotions and strives, as such, in favour of their own impotency, for their own inconveniences.

When in the individual's vision external forces are too strong, the individual then suppresses their own needs. The individual cannot meet the suppressed needs, which induces a non-defined anxiety in the individual through everyday life. Separation of life from the individual's nature brings neurotic disorders and depressive states. The individual frequently finds the way out of such states in a temporary curb of emotions by means of alcohol, drugs or medicaments.

The more the individual is alienated from their own nature, the greater the deviations of their personality are. Also, contradictions in the individual are larger and it is more difficult for them to control their own emotional states, including energy. The individual is then inclined to any form of self-destruction. In extreme cases, the alienation generates, due to non-satisfied needs, tension of such proportions that the individual cannot objectively comprehend nature. Such an individual is an ill individual, and such a society is an ill society.

Anything the individual does in life, they do it with the idea of their own prosperity in mind. However, in the present-day alienated society, where subjective, erroneous categories of values are created, the effect is contrary. The alienated individual lives along the principle of own negation, they act against their own nature because they do not know their nature.<sup>12</sup>

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The problem of the alienation of society is wide and deep, and therefore it should be faced in a comprehensive manner. The analysis up to today allows one to conclude that all social inconvenient phenomena arise from the individual's inability or from the lack of knowledge, and alienation originated by authoritative limitations. One can conclude in this connection that all socially positive phenomena may arise from knowledge acquired in natural life based on freedom and equality of all individuals, because the individual's productive power develops only in such a way.

The power of an individual over another individual is certainly the main problem of today's society. That is what needs to be eliminated if we really want to solve the problems we have today. It is not easy to be done at all, however this book offers a convincing solution. By this solution, we all need to sacrifice something in order to get much more and make a far better world.

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<sup>12</sup> Alienation, Aleksandar Šarović, <http://www.sarovic.com/alienation.htm>

The society would need to form a system able to exist productively without the authorities and their ideologies, in the freedom and equality of all its members. It would need to allow each individual to acquire knowledge by their own practice. It is hard for the individual as an individual to form an objective idea about the laws of the movements in nature, because autonomy directs them easily toward subjective determinations and, consequently, toward alienation. The society, as a gathering of subjective individuals may by equal relation form through practice, a more objective vision of reality. The more the society will get to know the real laws of movements in nature, the real value categories and its real nature, the less alienated it will be. This will allow it to come closer to its own nature, to its prosperity.

This book shows the process of disalienation in society. To be able to perform the process of disalienation, one must establish freedom and equality among people. Equal rights among people and true democracy will seize power from the authorities and establish a good and sane society. This book presents how such a society can be built. The emphasis of the book is on political and economic relations because they are basic relations in society.

### **3.1.1 Basic Policies of Humanism**

#### **Direct Democracy**

Let the basic socio-political economic community be the commune. Let the commune include the territory of the smallest social whole able to exist relatively autonomously, or of the largest social whole offering a satisfactory insight into joint activities. It may be assumed that a commune has from 100,000 up to 1,000,000 inhabitants, but it may also relate to a small community with several inhabitants associated on a territorial basis up to, theoretically, associated inhabitants of the entire world.

The commune is a part of a region, monarchy, republic or federation of associated republics and is, therefore, bound to respect the collective laws and the Constitution. The commune has the right to autonomy, to the extent permissible by federal laws. It is necessary to suppose here the positive orientation of the society. This means that the state will allow autonomy of the commune to the extent that will allow optimal development of the society. The commune organizes itself its internal order. The commune has an administration consisting of an assembly, a legislative and an executive body.

Today, Assembly is the highest legislative body and is composed by representatives of people. In the new system, the highest organ of legislative power will be the people themselves. In the introduction I presented that not one form of representative democracy, whether it is delegative or pluralistic, sufficiently represents the people's will. All representative systems are prone to corruption of authority and there is no convincing indication that there may be some significant change in the future. The only unquestionable way to follow the will of the people is that it is determined directly by the people through referendum. We live in such a time when it is simple and easy to determine the will of the people with the help of computer technology and the Internet.

The assembly of the commune will still remain. It will continue to consist of representatives of political parties or delegates elected by society. However, the Assembly will no longer make decisions on behalf of society. It will identify issues that the people should decide by referendum directly, and will prepare and conduct the referendums. The assembly will be required to set the referendum questions through the consensus of political parties or delegates in order to protect the will of the minority. In this way, the highest authority would not be the assembly any more but the whole society, which will definitely present a higher form of democracy.

All important decisions in society should be made through a referendum of the inhabitants of the commune. Each person has so far been entitled to one vote for these referendums. A new system may accept such rights, but there is a better solution. I think that the weight of each vote should be based on the contribution each person

makes to the development of society. That basically means that people who have contributed more to the development of society would pose a greater voting power. Or in other words, I suggest unequal voting power based on the contribution of individuals to developing the society. In this way, the voting right would stimulate the development of society.

All democratic systems today are proclaiming democratic equality among peoples. The practice shows that those under the age of 18 have no democratic rights, while those older have democratic right only formally as they decide on nothing in practice. In practice, the powerful rule the society independently.

Formal equality of democratic rights would need to be supplemented by a system to be formed by the factual democratic right of individuals, based on the value of past labour of each individual, including their predecessors. In other words, let each individual have decision-making right in society proportionate to their own together with their predecessors' contribution to the creation of all values the society possesses. The criteria for establishing the decision-making power in society would include all forms of values the current society accepts, such as ownership of real estate, companies, shares, money, but also the education, work and its performance, scientific, cultural, sports and other achievements of individuals.

Let us present the value of past labour, meaning the voting power of individuals, by a numeric value called the voting past labour points. All values that can be expressed in money can also be easily shown in past labour points. Private owners of material goods get in full the quantity of past labour points, or voting power, equal to the value of their property. A person having a more valuable past labour will get more past labour points and will exercise a greater voting right, and vice versa. As a general rule, ownership of real estates of higher values was realized by a larger inconvenient past labour. Such labour contributed more to development of society and therefore justly receives a larger quantity of past labour points, and a larger voting power in the society. Needless to say, that a part of the value of ownership of real estate frequently occurred as a product of exploitation of the society members. However, such a state of affairs is in most social systems legalized and needs, therefore, to be accepted as such.

The people without any private ownership will exercise the voting right to the extent to which they contributed to the creation of the values in collective ownership of the commune's population. Each commune possess material values owned by the society, such as enterprises, land, facilities, communication roads, infrastructure, natural resources, labour force, etc. It will be necessary to evaluate the total value of the collective ownership of the population in the commune and establish its counter-value in voting past labour points.

The total value of the collective material wealth expressed in past labour points will then have to be distributed to the social commune members according to a jointly agreed upon and accepted principle. The criteria for establishing the power of each voter will need to be set by means of a comprehensive study that will valorize all possible types of

the contribution to the building of present-day society. Such criteria will have to be set by an expert commission, and approved by the assembly delegates by consensus. It is most likely that it will not be easy to establish such a consensus; however, it could succeed after research and improvements that are optimally acceptable to everyone. In the end, the society will, in referendum, decide by significant majority whether it would accept or not the rules for such distribution. The solution to be obtained, no matter how it might seem inconvenient to an individual or a group, will represent a big step forward to each individual and, naturally, to society as a whole.

Let the voting power arising from collective ownership be distributed lineally to the commune members in the following manner: let a certain quantity of the voting past labour points be exercised by birth. The work the individual performs by creating themselves brings the maximum perfection that the individual can perform, brings the highest value the individual can create for themselves and for another individual. The increase in voting power expressed by a certain quantity of voting past labour points will further have to be lineally achieved by years of service, education and all other agreed upon criteria that were permanently improve the individual, the society and nature. Distribution of past labour points can be designed in such a manner so as to have a stimulating effect on the realization of social needs.

In case of a fall in birth rate, parents with several children may be allocated a larger quantity of past labour points, and such measure would stimulate in rise of the birth rate. Conversely, in the case of an excessive birth rate, parents could be sanctioned by losing certain number of past labour points.

The increase of the quantity of past labour points among the population of a commune needs to be based on individuals' activities that promote the individual and the society on a lasting basis. This measure in the first place relates to production where any work improving the productivity would be rewarded. A certain quantity of past labour points may also be allocated to independent creators as a token of recognition for great scientific, cultural, sport or other achievements. This would stimulate the non-economic creative work as a contribution to the development of the society. The allocation of this type would be carried out by evaluation courts and arbitration commissions on the basis of valorization of the creative accomplishments and benefits the society enjoys from them. On the other hand, individuals who commit inconveniences to society will be punished by losing an appropriate quantity of past labour points by the same courts. That will be an additional measure for the enforcement of productive orientation of society.

The unequal voting right is presently a factual state because the rich mostly decide independently in the name of the society. It is of course totally unacceptable for the people. A true "one vote per person" is the ideal for society but today's rulers can hardly accept it because then they would lose the power they possess. They would rather start World War III than accept it. However, a compromise approached through lengthy negotiation may create an unequal voting power acceptable to all. Such voting power may find its justification because it will stimulate the development of society. The people

who contributed more in creating society's wealth will have a proportionately stronger power of decision-making. For example, an individual with a ten times larger quantity of past labour points will have a ten times stronger voting power. However, it should be said that the differences between voting powers among the people will be pretty much formal because nobody will be able to interfere significantly in the democratic process regardless of their voting power when millions of people will be making decisions.

However, by use, the system will for the first time let all people participate directly in making decisions of joint interest. They will finally have a sort of real decision-making power. Together with other citizens they will oppose more efficiently the will of the present-day rich.

By use of past labour points, the system will objectively present the power of each individual, which may be interpreted as an acceptable form of recognition for the individuals in the society. On the other hand, people who would not be willing to compare their voting power with other people or be compared with other people, will have the choice to keep their quantity of voting points that present their voting power secret.

Moreover, the system will on a lasting basis ensure the voting power of individuals and may, therefore, be acceptable for the rich who, as privileged members of society, will traditionally be the main obstacle to the development of the new system. When the rich voluntarily accept the new distribution of decision-making power, as some royalties accepted when parliamentary democracy occurred, the road to a new development of mankind will then be opened.

The development of computer technology provided the technical possibility of carrying out multiple referenda rapidly and easily. Referenda are possible by means of internet applications that would contain the issues relating to collective action through different points. Each point would set certain rules for collective action. The referendum system needs to be designed in such a manner that a small quantity of decisions would have influence into the broadest and deepest problems of social behaviour. The base of the referendum needs further to be the acceptance test of a certain decision by the majority of inhabitants. However, if in the decision-making system nuances or gradations appear, then the system will have to be formed in a manner to allow that the decision has its scale of values. Each citizen would in such a scale elect the magnitude that suits them best, while the sum of statements of the commune members would in the function of their voting powers form a strategy of collective actions. Vote processing can be simply presented by the formula that presents the middle voting value per vote:

$$\text{Vote Result} = \frac{\sum (\text{Voter's vote}) \times (\text{Voter's voting points})}{\text{Total vote points of all voters}}$$

Example: Let us assume arbitrarily that average gross quantity of past labour income-based points is 100,000 points. Let a voter who has for example 50,000 point take on a prepared scale a voting value 10(ten) and a voter who has 150,000 points take a voting value 20(twenty). Then the calculation  $(10 \times 50,000 + 20 \times 150,000) / (50,000 + 150,000)$  will give the result 17.5. The result is proportionally closer to the voter with the stronger voting power. The result may present any unit of measure the voting is about (e.g. \$, %, Kg, etc.).

Each individual needs to have, irrespective of age, decision-making power in society. Theoretically, this measure will open up the possibility for five-year olds to vote if they know how to themselves or their parents or guardians will vote for them.

The proposed system, for the first time in the history of mankind enables all commune members to participate in decision-making regarding all strategic objectives of the commune. The participation of all inhabitants in the decision-making about collective activity represents the most developed form of democracy. Such decision-making does not automatically mean that the decisions taken will be the best for society. They only provide the best approach to decision-making, while the people will by their own practice find the way that suits them best.

## **Justice**

The individual needs to be free but also they need to be accountable to the society for their actions. Each society has a built up legislative system that helps it protect itself against the inconvenient activity of the free individual. Legislative bodies act in accordance with laws and regulations.

The legislative body of the commune will on the grounds of the adopted laws define the degree of the inconvenient activity or, more precisely, the damage that an individual inflicts to the society, and would sanction such activity by taking away a certain quantity of past labour points. Past labour points would impact income distribution, which will in a later stage be discussed in greater detail. In this way, policies based on them will be highly respected.

Bearing responsibility by means of voting past labour points is more acceptable than the inhumane sentence of imprisonment, as the individual keeps their freedom and productive power in society. Each crime will be judged by existing laws and recalculated into past labour points. If a person commits a great crime, they may lose all their past labour points and even hit negative values. The proposed system can make a negative value of past labour points much more painful than prison. For example, these people will wear special clothing that will tell everyone that they broke into negative values of past labour points. That might bring them more inconveniences than prisons. Prisons would no longer be needed. If a person has a negative value of productive power, he would try hard to escape it, and it would be possible only through highly productive labour and extremely good behavior over a longer period. One may assume that such

form of sanction will be more efficient as each individual will be highly interested in keeping and preserving their voting past labour points. The individual will avoid criminal acts and infractions, which is for the present-day systems almost unachievable, since a part of the society lives in the margins so that it has nothing to lose.

Judicial bodies may in the same way assume the function of rewarding each individual who generates significant conveniences to the society, stimulating thereby the development of conveniences. However, the judicial bodies have a great deficiency in terms that their way of establishing justice in society is authoritative, meaning that it is to some extent alienated from society. In addition, judicial bodies and arbitration commissions cannot judge all disputes in society because of their potentially unlimited number.

### **Democratic Anarchy**

Democracy as a form of rule is not enough *per se* for establishing a sound social orientation because the majority may be wrong. In addition, the principle according to which the majority overrules the needs of the minority is not satisfactory. In an extreme case, the majority may democratically take away the freedom, human and civil rights of the minority. If we exclude the principle of consensus that is, unfortunately, rare in present-day society although it may to some extent mitigate that deficiency, democracy has not found to date how to overcome it.

In all democratic systems there has always been a great problem of protecting weak individuals from powerful people in everyday life. In today's alienated society, an individual can generate a huge number of inconveniences to others without being accountable to anybody for them. In this way, inconvenient tensions are created in society. This phenomenon is almost legalized, as one can see in everyday life. In the "developed" west, an individual seeks a job by trying to sell themselves. At work, a great subordination to the employer is expected as otherwise the worker may lose their jobs. As a consumer, the individual is exposed to aggressive propaganda. In day-to-day life, the individual has almost no protection against offences, tricks or any other form of behaviour that bothers them.

Efficient protection of an individual against inconveniences causing by another individual or a group of people can be established by direct and equal ability of assessment among people. May each individual be allocated the equal power to evaluate with positive grades others who have brought them conveniences, and with negative grades all those who brought them inconveniences. May such grades automatically exert a small, however, satisfactory impact on the formation of a system of rewards and punishments of individuals in the society?

By introducing a socially acceptable regulation, negative grades may form sanctions to those who committed inconveniences in the society. They would automatically manifest in a very small, but still noticeable removal of the quantity of voting past labour points of

individuals, which would diminish to the same extent and on a lasting basis the individual's power in society. It will later be explained in greater detail how the loss of voting past labour points directly influences the level of income.

And conversely, persons, or an association, that create conveniences to the society in a larger volume would be given positive grades from several members of the society. Positive grades would bring major conveniences to the doer. The conveniences would manifest in a very small but still noticeable increase in the quantity of past labour points, which would to the same extent and on a lasting basis increase the individual's power in the society, and income.

Each individual may by their activity bring conveniences and inconveniences to the society and, therefore, each individual will get both positive and negative grades, which the society will need to accept. However, the persons that create a larger number of inconveniences to the society would get negative grades from more people and on a longer-term basis, which would force them to change their behaviour.

The evaluation system is already in place in the societies where public opinion is sought about the success of some actions. However, such assessment does not have a direct power. The society would need to have a lot of courage in order to adopt such a measure but then it will realize huge benefits.

Technically, evaluation could be carried out by inscriptions on an internet application, which would be automatically processed in the commune's administrative centre. It would be necessary to establish here full equality as a base of equality of the human rights. In the proposed system all inhabitants would have an equally limited number of evaluation possibilities. This means that each individual will concentrate their evaluation on the persons bringing them the most conveniences and inconveniences.

In such a society not a single individual will be privileged. Nobody will be able to make use of the freedom of expression and of acting if such freedom brings inconveniences to another individual. Not a single person will be able to generate any sort of inconvenience to anybody in society without punishment. The system will systematically eliminate all inconvenient states in the society, and thus the system will no longer inhibit itself in its own alienation.

It is certainly worth raising the question as to how much each individual is able to objectively evaluate the causes of the conveniences and inconveniences and, accordingly, how much they are able to properly evaluate the activities of another individual? In any society the subjective evaluation of the causes of inconveniences is possible so that individuals could by their evaluation erroneously assess other people. In direct relations among people, each individual needs to make decisions in the way they experience them. And the society is bound to respect the sensitive and emotional state of each individual, irrespective of the level of development of knowledge or consciousness of such individual. The orientation that respects any individual in society is the best possible and the most correct. The society as a gathering of subjective

members may form by its practice the most impartial criteria of valorization of both the conveniences and inconveniences in the society.

At the very outset of such a system, destructively oriented members, or those having a perverse idea of the conveniences may exist in such a society. Such members may positively evaluate negative actions in society, and assess as positive those negative, which would create difficulties for a positive social orientation. In this regard, the assessment made in the beginning would not have to bring significant conveniences and inconveniences to the members of society. On the other side, perverse evaluation may not be significantly present because a destructive society cannot survive. The persons that would still apply a destructive mode of evaluation would not be able to hide their destructive orientation and, consequently, their destructive activities, and would to a greater extent receive negative evaluations from society. This would force them to pay more attention to their own orientation, to get to know themselves and their powers, and to find a way to realize a constructive orientation.

The evaluation of one individual will not have a major impact on society, irrespective of the evaluation they give, while society as all individuals together will have an enormous influence on the activity of individuals in society. Such a system would eliminate, in its very roots, the possibility of an emergence of extremely inconvenient leaders, nationalists, chauvinists, racists, and all potential dictators and sadists influencing the society in an inconvenient or destructive manner.

Furthermore, the system would allow each individual to reach satisfaction by giving a negative evaluation to an individual who creates inconveniences to them or to the society. Such satisfaction is more favourable, more constructive and more efficient than any form of revenge that the alienated society practices. Needless to say, satisfaction also brings the power of reward by positive evaluation, by which the individual supports and makes richer the individual creating conveniences.

The proposed assessment system would allow each member of society to actually receive equal legislative, judicial and executive power in the distribution of rewards and punishments in society. The assessed person would have no opportunity to complain. The society would take into account the needs of each member, which would contribute to the formation of a convenient social orientation.

Once such system is introduced, each individual will try to get to know another individual and their needs in order not to inflict inconveniences to them unintentionally. The individual loves more the people that he gets to know more. In such a society, the individual will behave vis-à-vis other individual with respect and in good faith. They will try to act in the manner in which they will bring to the other individual and the society as a whole less inconveniences and more conveniences.

It may be assumed that the system of mutual assessment will lead to a grouping of people according to the principle of related interests. Society members with equal interests will become relatively isolated in order to accomplish in mutual contact more

conveniences and avoid the creation of inconveniences to the society members with opposite interests. In this way, the system will allow the exercise of different interests in the society, and development of wealth of different orientations.

In such a system all inhabitants will permanently try to create the largest possible conveniences to individuals and society as a whole. Historically viewed, one can accept the rule that in the cases where such social orientation existed, the society used to prosper and lived a prosperous and constructive life, while in systems where individuals found conveniences to the detriment of the society; a destructive orientation used to occur lead to the break-up of the social system.

The system of mutual assessment of society members may significantly diminish the need for setting the norms of social relations and increase the freedom of the society, because individuals in general, and leaders in particular, would not be doing what they would not like others to do to them. Such a system will reduce the need for the activity of legislative bodies because individuals will to a greater extent avoid the inconvenient and especially the destructive activities. Still, judges and prosecutors conducting proceedings against individuals, as well as the authorities caring for order and protecting the society will certainly still have for a period of time work to do, and that is why they will need to have assessment immunity. Their work will be assessed by special commissions.

Individual establishment of eligibility criteria in the society may, unlike rigid normative acts, have a deeper and broader impact on the actions in society. Such assessment will create unwritten rules of social behaviour that will allow convenient changes in the needs of society, something that normative acts cannot do. In the developed world, direct assessment of each individual about the free movement of any other individual or association needs to be the basic law of regulation of social actions. In such a system, social movement will have to suit the needs of the society. In this way, social laws and regulations, including judicial authorities as alienated forms of valorization, and setting the norms of the social movement, would become superfluous.

There is no doubt that the rules set by referendum for collective action, and the equal right for assessing the freedom of individual acting, constitute the highest degree of democracy, because the will of the people is exercised directly from above and from below, thus allowing the greatest prosperity of the society.

As such form of democracy incorporates anarchy; I have given it the contradictory name of democratic anarchy. Democratic anarchy represents the basic key for the resolution of problems in society. It is what society has been missing so far, to unconditionally overcome inconveniences in the society. Democratic anarchy will form the rules for social behaviour that will mostly suit the society members that will meet most needs of the society, that will bring most prosperity to the society, and because of that it needs to be accepted as such.

The commune's policies will no longer be tailored in alienated centers of political power. The commune's policies will be based on the needs of each individual inhabitant and all of the needs of all inhabitants together will form the rules for joint activity. That is why we can call it a humanistic policy. It presents the future of democracy.<sup>13</sup> I hope that at one point in time somewhere some political party will adopt partly or in whole the program described in this book. That it will present such a program to its citizens and win elections. It will be the beginning of a great political system reform, and of a huge development of the society in all regards.

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<sup>13</sup> The Future of Democracy, Aleksandar Šarović, [http://www.sarovic.com/future\\_of\\_democracy.htm](http://www.sarovic.com/future_of_democracy.htm)

### 3.1.2 Bases of the Economy of Humanism

Humanistic reform of the economy must start from the elimination of unemployment on which I elaborated in more detail in the article: Let's remove unemployment<sup>14</sup>. The unemployment of workers leads to the exploitation of workers because the workers are forced to accept low paying work to be able to feed their families.

The unemployment of workers cannot form a sane basis for the formation of a good society. A good society can only develop on equal human rights. A just society requires the availability of work to everyone. In order to achieve a proper balance between the supply and demand of labour, it will be necessary to create a balance between the number of jobs and workers. In the case that job creation is not needed, full employment will be achieved by reducing the work hours proportionally to the unemployment rate. This is a political measure which needs to be accepted by people and must be conducted in both the public and private enterprises.

When unemployment is removed by reducing work hours, employers who need more labour must take it from other employers by offering more money because available workers do not exist. They will have to compete by increasing workers' wages in order to attract workers from other companies. This will cause a chain reaction in which the workers' wages will rise. If employers do not increase wages they would simply not have workers. This is simply a fair labour market.

Increasing the wages of workers will come at the expense of employers. Employers would not like it, of course, but they must understand that they cannot earn more if there is not a large enough consumer purchasing power. They must understand that the purchasing power of the society cannot be increased without increasing the wages of workers. They should understand that there is not a better distribution neither for employers nor for workers than the one achieved through a fair labour market. Shortening work hours proportionally to the rate of unemployment would ensure a fair distribution to society. A fair distribution will provide greater purchasing power to the people, which will ensure a greater flow of goods, again bringing greater profits to the owners of capital.

Shortening working hours proportionally to the unemployment rate will itself improve capitalism but my intention from the beginning was to achieve a lot more.

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A better future requires a reconstruction of the economy as a whole. The introductory statement showed that the planned economy is more stable than the market economy, while the market economy is significantly more productive. A new economy will have to take the advantages of both systems and eliminate their deficiencies.

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<sup>14</sup> Let's remove unemployment, Aleksandar Šarović, [http://www.sarovic.com/2013\\_01\\_18e.htm](http://www.sarovic.com/2013_01_18e.htm)

The planned economy may be exclusively based on associated ownership of the means of production. Association of the economy will take place on an exclusively voluntary basis, on the basis of the wish of the owners, and in no way in a forced manner. Private ownership of the means of production is backed by past labour and that is why its forced socialization comes necessarily across resistance and inconveniences, and practice shows that all such attempts have failed. Capital owners may voluntarily surrender their capital to the society if the society forms a new system of values that will replace the conveniences arising from the holding of capital. This will be achievable through an issue of past labour points.

Past labour points will not only present the voting power of people but they will also constitute a mix of government bonds and capitalistic shares in a humanistic environment. Such points will bring great safety to the owners, because behind them will be a whole community. Secondly, past labour points will bring secure incomes to the workers of the merged company of the commune. The more valuable the past work of workers, the more past labour points they will possess and the higher their incomes. In this case, society as a whole may find an interest in replacing private ownership of the means of production and other private properties for the equivalent amount of past labour points.

However, the owners of private capital may be unwilling to sell their property if their entrepreneurship achieves a desirable income. Such companies will continue their activities just as they do today. Will it harm the company commune? No, the system I have proposed may start running even if no single private entrepreneur associates their ownership with the commune. The system will then be based only on the existing collective ownership of enterprises and institutions. The system will show already there a significant progress; however, the results will be far better when private entrepreneurs join the associated economy of the commune.

Capital owners not interested in surrendering their ownership to the commune in exchange for past labour points will probably change their minds once they discover that the associated economy is more productive than their individual activity. This particular issue will be further elaborated later in this book. I have already mentioned that the reduction of working hours will reduce the privileges of employers and increase workers' rights. It will also reduce the difference between the earnings of employers and workers. In such an environment, capital will lose its significance. One may assume that capitalistic forms of value will lose their value over time and, therefore, the replacement of the values will be determined by the stock exchange for past labour points is to be expected.

The commune will also have to enable the inhabitants to sell their past labour points in return for money. That will make past labour points a sort of share which the commune inhabitants will trust. In such a system, private entrepreneurs may find a great interest in selling their ownership to the commune. Over time, the commune may become an owner of all stock-exchange operations, real estates and other values that inhabitants of the commune possess.

When an owner of a private ownership surrenders their ownership to the society, the quantity of their past labour points will replace the capitalistic system values and complement them with new ones that will allow society to prosper.

The new system represents an associated ownership of the means of production where all inhabitants would, let's call them so, be humanistic shareholders of the associated enterprises on the territory of a commune. When all enterprises in the commune become associated, as large-scale corporations do, into one economic whole, and then smaller organizational units in the form of enterprises would be formed in order to enable easier organization and recording of their business performance.

## **Labour Organization**

The united commune will have a single administration. Executive authorities of the administration will no longer tailor the economic policy and propose laws. Instead, they will assume direct administration in all fields of economic activity.

The principle of election of the commune's managers needs to be directly based on competing programs offered by the candidates for the managing position. The programs will define the work orientation in the economy, as well as the profit that the economy needs to realize in a certain time period. They will also have to define the operation of non-profit companies, and the conveniences that such a work structure needs to create for the society. The programs will need to contain answers to the problems of the commune.

The assembly or council of the commune will assess the offers and make a selection for the commune's administration. A managing board of the economy may be set up within the assembly. Such a board would not be elected in elections. Its members would be the commune's inhabitants holding the largest number of past labour points, or, more precisely, humanistic shares. The assembly of the commune's board would from among the competing proposals for work organization select the best offer for the composition of the managing executive authority. The obligations and duties would be defined by a formal agreement between the commune's assembly and the selected management.

Production is a highly dependent process and that is why coordination with the centralized hierarchical management system suits it to a certain level. This form of decision-making allows central planning and, accordingly; a more steady economic activity; a labour distribution allowing full employment of workers with a balanced work burden; a more efficient coordination of action, and a fast decision implementation.

The communal executive managing authority analyzes the resources of all activities, and then distributes the work in the manner allowing the commune to achieve the highest productivity. The elected commune's management sets up the departments or secretariats in the commune with the consent of the commune's assembly. The

secretariats may be those of administration, economy, building industry, trade, health care, education, culture, internal affairs, etc. It will be most likely that the managers of such departments will compete for these positions together with the managers of the commune as a group. But also the candidates interested in heading the secretariats apply for such posts on the grounds of a permanently open public competition. The president of the commune's executive council selects from among such candidates the persons who, with their specific activity, best complements the program.

Higher-ranking officials form the enterprises, set their purposes, and determine the resources pertaining to them, such as the means of production and number of workers. They also form competitions for lower ranking managing positions. Within the authority accorded to them by higher-ranking officials the candidates for the managing posts in enterprises and institutions propose the highest productivity they can offer. The best proposal receives the mandate from the higher-ranking management, together with the consent the enterprise's managing board, and organizes the work in the enterprise or institution. Lower ranking managers determine the rights and obligations of each work post within the mandate accorded to them by the higher-ranking managers, and for each defined work post may apply the worker who offers the highest productivity.

The managers' authorities will be distributed in the manner allowing the commune to realize the highest productivity possible. The president of the commune's managing authority will be authorized to manage the entire activity of the commune. However, such management would not be efficient, because it is impossible for a single individual to make all the decisions that only one composite enterprise may demand. Moreover, it would hamper lower-ranking management and, consequently, the productivity of the collective would deteriorate. The president of the commune's executive board would allot themselves duties that correspond with their ability to contribute to larger work productivity in the commune, while the remaining duties would on a contractual basis be assigned to lower ranking management members.

Work organization in the commune may freely vary from a centralized production organization to a fully liberal business operation of enterprises, and the management of the commune establishes the work distribution and the decision-making power in production that will result in the greatest conveniences for the commune.

Such an organization of production has already been in place. Well, where do we see, then, the great progress of such an economic model? The humanistic form of production will bring the development of the labour market in a centralized system of division of work. Therefore the work will be more productive, more rational, and more stable than capitalism can achieve.

## **The Market of Work**

Most of the problems of today's market economy are primarily based on the underdevelopment of the market economy. I will try to present that the main problem of

the capitalist economy is not too much but rather not enough market. The goods are always on the market even if informally, since any goods will be sold if there is a good enough offer. Jobs are rarely on the market and this is probably a major problem in today's economy. A developed labor market will produce competition for every public workplace at any time. Workers will compete by offering higher productivity. Productivity will be measured by money earned, the amount and quality of manufactured goods, or by productivity evaluations obtained from consumers. A person who offers higher profits, more manufactured goods, better, cheaper and cleaner production will get the job.

Work competition as a form of employment at the market of labour represents a continuous open competition for all work posts. This means that any worker may at any point in time take the work post of another worker if they perform the concrete job more productively. Of course, in order to avoid possible instabilities in such work distribution the work competition will be performed in a highly regulated manner. It will be explained in the chapter "Work Division". For now it should be said that such a relationship in production removes the privileges of the centralized process of production. The system will allow a permanent development of the production process and of the essential forces in the society. Last but not least, there is no more developed form of production than the one where each job gets the best available worker. Such production will bring a higher economic productivity than the capitalist form of production may achieve and that is the reason capitalism will certainly be pushed to history.

Needless to say, for such a form of production relationship to exist, the society must necessarily form an exact and efficient method of bearing responsibility of workers for the non-realized productivity at each work post. The system could not survive without this component. The efficient system of risk bearing is possible to achieve with past labour points. A greater right to work at each post needs to be exercised by the worker who proposes a higher responsibility for their work with the assumption they offers an equal productivity as other workers.

The scope of accepted responsibility will be established by a numerical value. Higher responsibility needs to ensure a higher increase of past labour points as a reward for the rise in productivity, and a larger deduction of past labour points as a sanction for insufficiently realized productivity of the worker. And vice versa, a less pronounced responsibility of a worker will bring fewer rewards and sanctions with the past labour income points, but also a reduced competition power for the performance of a desired work. If responsibility were defined in such a way, the irresponsible attitude vis-à-vis the work that existed in the socialist form of production would be definitely overcome, and prosperity in doing business would be ensured.

In the end, the new system will enable each worker (including leaders) to directly assess the price of their own current work according to the degree of the conveniences and inconveniences that the work brings them in relation to another work. In order for the current work price to correspond objectively to the work burden, it needs to be subject to work competition in the market of work. The job will be given to the worker

seeking a lower current work price with the assumption that they offer an equal productivity and responsibility as other workers. Such a price determination will form the most objective price of current work that the authorities or trade union arbitrations cannot achieve. In such a system all workers would be satisfied with their level of realized income, because it is they who have chosen it.

The production of goods will no longer be bettered by markets of commodities, but by the labour market. Within the commune, enterprises will no longer compete with each other with the same products but will provide betterment of goods by work competition of workers. This will ensure high quality of goods but not over-production. It will be a more rational use of natural resources. The system of evaluation of producers by consumers will give a better view of production performance than the market of goods.

Such a system of production is becoming possible for the first time in the history of mankind because the development of computer technology has allowed us to efficiently plan, monitor, and process the productivity of workers, the values of their work and the responsibility they bear for their work in the system of fast changes in the work and work obligations. Capable Enterprise Resource Planning (ERP) systems already exist today, but they will need to adapt to the new business operating systems.

## **Democracy in Economy**

In the proposed system managers have the right to decide in the name of society if they are in such a position; however, they will be accountable to the society for their decisions. Each member of society can assess the performance of managers. Negative assessments will cause sanctions and positive assessments rewards. Even though managers make good decisions they can be sanctioned with negative assessments from a large number of dissatisfied members of society. In such circumstances, no single manager can independently assume responsibility for decision-making regarding the regulation of the commune's complete economy because they cannot know with certainty how much such decisions correspond to the members of society.

This primarily relates to the formation of macro-economic policies of the commune. There is no doubt that for this reason the management of the commune will include the commune's inhabitants in the decision-making process about the fiscal, income, and development policy of the commune. For the beginning the management of the commune will enable the population to directly decide on how much of their incomes they want to set aside for taxes. This will be done by filling out online applications. Taking into account that tax policy must follow the requirements and capabilities of society, delegates at the assembly of the commune will need to establish a minimum tax rate that allows society to function in an acceptable manner.

Taking into account that not all members of society have equally contributed to the creation of collective material goods, they cannot have the same decision-making power regarding the fiscal policy of society. The power of economic decision-making needs to

be based on the quantity of past labour points, which is equivalent to the power of shareholders' voting rights in the capitalistic system of operation. This means that each individual will actually divide the total quantity of their own past labour points for the purpose of their own income and for taxes. A person with a larger quantity of past labour points will have a proportionately greater impact on the forming of the income tax policy.

The sum of the values of all individual statements of the collective money distribution, processed by computer technology, will form the division of the commune's revenue for the incomes of all inhabitants and for income taxes.

The total amount of money intended for income for each inhabitants of the commune will be distributed in proportion to the value of invested work and to the value of past work expressed by past labour points.

The society also needs to establish the minimum income of the individual, which will define the range of incomes, by which it will regulate the relationship between solidarity and interest in work based on income. If workers are not interested in performing an inconvenient work, thereby lowering the commune's productivity, the society may by direct statement reduce the minimal income of workers. They would in that way stimulate, on an income basis, the workers to work more and thus realize a higher productivity and a larger share in the distribution of the operation result. On the other hand, if larger productivity than necessary is realized in the society, the society will then increase the minimal income and thus reduce the income-based stimulation for work. This will be discussed in more detail in the section: "The Distribution of Incomes".

Income taxes will be linear for all incomes. The linear simplicity is necessary in order for the income tax policy to be formed directly democratically. Today's regulation of progressive taxation, which has the task of establishing social balance, will be replaced with the new income policy of the commune.

The revenue from income tax will be used for common spending. This money will be divided by the will of the people of the commune for money intended for the development of production and for money intended for collective commodity consumption. Taking into account that money is limited; the greater the amount of money intended for the development of production, the smaller the amount of money intended for collective consumption, and vice versa.

Cash assets intended for the development of the economy serve for the expansion of the productive forces, purchases of new means of production, or of complete installations that promote production. A larger quantity of cash assets intended for the development of the economy will engage social work and economic development to a larger extent, which would increase the quantity and quality of the means of production and, accordingly, the productivity. More sizeable investments in the development of the economy will ensure major social conveniences in the future; however, cash assets for current consumption would in this way decrease, which would also reduce the individual

and social standard. Such a system will enable each commune to develop by relying on its own forces.

Cash assets for collective consumption serve to meet all collective needs of the society. They are used for the maintenance of the existing structure, and for the building of new social standard facilities. This includes funding commodity consumption spending in public health, education, security, construction and maintenance of infrastructure, etc. Cash assets for collective consumption may, to a certain degree, be distributed by direct decisions of the population, while later partial distributions may be directly made by interested and associated society members. Final distribution of the smallest consumption segments needs to be made by the authorized management, which need to be directly accountable to the society for the same. Increased funding for joint consumption would allow a higher common standard at the expense of other forms of consumption.

The allocation of money directs the economy and that means that the management of the economy will for the first time be directly planned by society.

Such a system can remove the shortcomings of the market and planned economies and ensure stability and prosperity. It is summarized in my article: The Future of Economics<sup>15</sup>. The system will be described in greater detail in the following chapters.

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What is the underlying concept of the new system? The system will put society on sound footing. It will give every person the right to participate in decisions affecting their or her interests in society. It will allow every individual to judge those who make decisions on their behalf. It enables the free activity of any individual and, accordingly, the finding of the way that is more suitable to the individual's nature and to society as a whole. Freedom enables the suspicion, formation of critical views, and the possibility of acting that, together with practice, creates an objective knowledge. Practice demystifies the categories of values and, therefore, allows for the breakdown of the dogmatic, non-critically accepted and alienated knowledge that is the cause of inconveniences in the society today. Practice is the only possible route to knowledge, the individual's power, the only possible way for discovering the correct standing and orientation of the society as a whole. This will form the process of disalienation of society.

In such a system the individual is forced to rely on their own forces in realizing their needs. Constant reliance on their own forces and the defined responsibility would teach the individual to accept the real objective perception of their own potency. This also means the acceptance of their own impotence in cases where they cannot surmount it. By getting to know objectively their own powers, the individual will live in accordance with their own nature. Such an individual would form the needs only where they have the power to realize them, which constitutes the essence of the individual's balance and of the formation of a constructive orientation in the relationship with the nature and

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<sup>15</sup> The Future of Economics, Aleksandar Šarović, [http://www.sarovic.com/future\\_of\\_economics.htm](http://www.sarovic.com/future_of_economics.htm)

society. Such a system can enable the satisfaction of natural needs of the individual and of the society, which brings harmony, peace, love and joy of living.

The new form of socio-economic relations requires the formation of new elements needed to establish: the price of work, work distribution, responsibility, the price of commodities, money accumulation, credit-monetary policy, working assets, development and amortization of the production, distribution of individual and collective consumption, as well as of the use of real assets. The new socio-economic policy will, within the limits of possibilities, be presented in greater details in the chapters that follow.

### 3.1.2.1 Price of Work

Work has an indirect and direct value. Indirect value of work is expressed by means of the value of work products, while direct work value is expressed by the values occurring in the duration of the work as such.

Currently, the work value is shown almost exclusively in indirect form, by means of the value of the work products, because the work is *per se* generally not propitious and, accordingly, does not have a direct value. Besides that, a scale that might measure such a non-value does not exist at all. The value of work products is formed on the market by the demand and supply of commodities, and is determined by the price of the commodities. The work finds the confirmation of its indirect value through the sale of commodities on the market. Then the price of commodities represents the work price as well.

In associated labour, each work price is determined by the work hours, productivity and work burdens with which workers participate in the production of commodities. As it is difficult to form in associated labour an objective measure of individual productivity and of work inconveniences, each worker by their subjective consciousness easily attributes to their own contribution to the achievements of the collective productivity a share larger than the one they objectively deserve. In this way, workers expect a larger share in the distribution of income, meaning a larger share in the distribution of the results of collective work.

Since the quantity of produced commodities is limited, the distribution of the associated labour results is performed on the basis of alienated powers in the process of production. Naturally, such distribution results in dissatisfaction among workers and in a crisis in the system of distributing joint operating results. Society has not found to date a democratic form of distributing collective operating results that could satisfy all workers. In this connection, the work price represents the basis of dissatisfaction and tensions in the process of production.

Below is presented how to set an objective price of work in a merged public company of the commune. Private companies will continue to form the price of labour as they do today.

Past labour is the basis of everything that the society has created, while current labour is the basis of everything the society is creating; therefore, they have to be respected objectively. Such respect can create the conditions for a just distribution of the operating results, which will have a stimulating effect on the individual's work and contributions to the prosperity of society.

In connection with the above, let us accept that the indirect work value (in further text: the work price) is in the unit of time equal to the product of past labour income-based value and current labour price.

$$\text{Work price} = (\text{Value of past labour}) \times (\text{Current labour price})$$

## Past Labour Value

According to labour theory, the work price is linked with the average quantity of work needed to produce a certain product. However, each product incorporates millions of work hours spent in revealing and developing the processes of its production, beginning with the discovery of fire, through to the wheel, to the present day. The point is, naturally, that there is not a single investigation able to measure the quantity of work spent in producing any product. It is simply not possible to sum up the entire past labour of all generations that were creating the material and cognitive values that the society owns today.

The socialist system of business operation measured formally the value of past labour by the length of service. A longer service represents a larger quantity of past labour and brings a somewhat larger income. Since such measure of value is formal, as it does not objectively represent the individual contributions to the realized productivity, it is for this reason not productively stimulating and does not contribute to the prosperity of business activity. A great shortcoming of the system is that it did not take into account the value of past labour of the predecessors who have largely contributed to the creation of everything the society possesses.

The capitalistic system of business operation is more efficient in this domain because it shows the value of past labour by the market value of realized capital. Such presentation of the value of past labour may be useful in social terms, because the increase in capital is achieved by the rise in productivity of the economy. Naturally, capitalism has numerous deficiencies, but we have no better solution than to accept the market value of past labour results as adopted by the capitalistic system, and then to reform it in order to meet the criteria of the humanistic society.

It is possible to express the income-based value of past labour indirectly through past labour results the society possesses today. It is necessary to accept that behind the more valuable past labour results stands a greater value of past labour. A higher value of past labour needs to create a larger income, and vice-versa.

The value of past labour will be defined by a numerical system of values. The unit value of past labour will represent a certain value of wealth. Let us call the unit value "past labour point". Once the unit value of the past labour point is established, then the substitution of private ownership in the form of real estate, movable property, securities and, money in the commune for the equivalent quantity of past labour points may take place.

For example: the unit value of a past income-based point may be, say, twenty monetary units. This means that capital worth 1,000,000 monetary units will bring to the owner 50,000 past labour points. Let the average possession of past labour points be 100,000. If worker had possessed 100,000 past labour points before he sold his ownership to society then the increase of 50,000 past labour points will ensure a 50% higher income. The example has been taken arbitrarily to give a better idea, while the actual value of past labour points will require a comprehensive study.

A larger quantity of past labour points owned by individuals will indicate a more valuable past labour, which will give to each individual a greater existential power of action, a greater voting power, a stronger status position and larger income or, more precisely, a larger share in the distribution of the collective operating results. The commune also needs to ensure the substitution of past labour based points for money in order to ensure confidence of the commune's inhabitants in such form of the commune's actions.

Given that the whole community would ensure the individual ownership of past labour points, it will be more stable and secure than private ownership. In addition, past labour points will bring greater benefits than the ownership which is valued in society today. Because of it, the owners of private capital would voluntarily surrender their ownership to society in exchange for past labour points. This will, in conjunction with other envisaged measures, create a base for a broad social prosperity. In the new system, the individual will no longer display their power by ownership of material resources, but by past labour points that will indicate each individual's contribution to the creation of the values in the commune. On the other hand, some people would not like it to be known how much they have contributed to the creation of such values. These people will be able to keep the quantity of past labour points secret.

The quantity of past labour points will represent a form of humanistic shareholding. It will ensure income based on past labour, and also introduce a new humanistic-social dimension. As already explained in the chapters "Bases of the Policy of Humanism" and "Bases of the Economy of Humanism", all commune inhabitants will achieve past labour points on the grounds of education, length of service, and all accomplishments that create values in a common ownership. In this way, all commune inhabitants will irrespective of their age, sex, employment or unemployment realize income in the commune.

A mathematical analysis can establish such a value of past labour points so that the total gross quantity of past income points of all the commune's inhabitants is equal to the commune's revenue. With the rise of production, the quantity of new products is also rising. This brings along new values that increase the income of the society. With the rise of income, the quantity of past labour points is also rising. The new points need to be distributed among the commune's inhabitants.

This measure refers primarily to the production where the work that increases the productivity and thus allows an increased income would be rewarded. The protagonists

of such work would be awarded, by way of a special automatic procedure, depending on the increase in productivity and their responsibility, a certain number of income-based points. In this way the rise in productivity will be stimulated, and the community will accomplish thereby a greater prosperity.

On the other hand, in the same way in which the work or any activity can on a lasting basis promote quality of life, it can also be worsened. Production in social ownership has not been able to find to date a satisfactory solution for the issue of responsibility of workers for their work, which reduces substantially its efficiency. Moreover, when the individual is not accountable for the failure of their own activity, then not even success can bring them adequate conveniences. The society that is not responsible toward itself is the society that breaks down. The responsibility in the collective form of production may be borne by means of past labour points. The difference between the envisaged and realized productivity has its value, and such value can be determined and after that by an agreed-upon procedure deducted from gross past labour points of responsible workers. The application of such a mode of bearing responsibility may solve durably and efficiently the basic problems in production with the collective ownership of the means of production.

The bearing of responsibility by means of past labour income-based points is highly efficient, because in this way the individual is accountable with their past labour and their current and future income.

Naturally, the system may also apply to any activity beyond direct work relationship. The present-day system of sanctioning the persons who bring inconveniences to the society is cruel when imprisonment deprives freedom, or insufficiently efficient when the individual does not have anything to lose. The introduction of the system of past labour points enables the setup of an acceptable and efficient form of sanctions by taking away a determined quantity, set by law, of points from persons creating great inconveniences to the society. Today's courts know what the punishment for each and every crime or violation of laws is. It should not be difficult to recalculate these punishments into income-based points. In such a system criminals may lose all their points and even get into negative. Persons who fall into negative points may lose some rights. If society accepts a new repressive regulation such a fall may psychologically, sociologically, and economically be very inconvenient. For example, these people will be required to wear special clothing that will tell everyone that they broke into negative values of past labour points. Such clothing will shame them which may produce to them inconveniences more painful than prison. They would also receive minimal incomes, regardless of where they work. Then prisons would no longer be needed. Each individual will work hard not to earn negative points and if it happens, try to escape as soon as possible. That will be possible only by intensive productive acting in society. Taking into account that the individual will carry their income-based points all their lives, the system will require very responsible behaviour of each individual towards society. Such a system would be acceptably repressive as it generally would not deprive the individual of the freedom of action, but will prevent society members from using their freedom to create inconveniences to anybody in society.

Since the society aspires to increased democracy, it has to give power to each member of society to punish other people who produce inconvenient actions in society. Each individual should get the right to evaluate the activity of any others. The negative assessment has to take away from each individual a certain small portion of past labour points. By introducing such a measure, each individual will try not to create inconveniences to, or to create them to the least extent possible at all levels of complex social relationships. In other words, each individual needs to know what is it that is not suitable to another individual, and will refrain from acting in that way. If the individual is not aware that they are causing inconveniences to other community members, the negative assessments and sanctions will force them to put it effort and, thus, learn where they are making mistakes.

Such a measure may create a vast range of conveniences in society. Such a mode of assessment may, over a longer period of time, and by comprehensive application, replace in full the indirect form of responsibility assessment by judicial authorities, laws and regulations, which will thus become superfluous. The society will form an unwritten justice based on the natural knowledge about the rules of its developments and, accordingly, the ways for achieving natural conveniences. Naturally, each member of the social community needs to be allowed, on the other hand, to reward by their vote containing a small, however, influential value-based point the individuals who have in their opinion contributed to the creation of conveniences in society.

With such a law, each individual gets a direct and equal executive power in society, which would in an anarchical way stimulate a favourable social movement at all levels of complex social relations.

It may be noted that the value of past labour expressed by the quantity of points would need to be a universal measure of the individual's essential powers. In order for such a value to be fully adopted and formed, it must become the individual's sacrosanct ownership. Moreover, acceptance of past labour points by the society is conditioned by the possibility of their inheritance, and has to be ensured in full, or in a certain percentage according to the decision of the society. The quantity of past labour points would be a measure of the value of the work performed by individuals and the society through generations. It will present the power of individuals, and may as such become the basic measure of values in society. That measure will still be alienated but it will be much more acceptable and effective for building a healthy society than all so far accepted measures of values.

### **Current Labour Price**

The price of current labour directly depends on the direct value of current labour. The direct value of current labour shows the relationship of all conveniences and inconveniences arising from the work, independent from the value of the operating result.

The conveniences connected with the work as such stem from the meeting of the individual's direct work needs, the necessary exchange of energy with nature, the realization of both physical and spiritual needs, the need for developing the individual's essential strengths, from the status value of the working position or presentation of the productive potency of individuals in the society, from helping others and finding satisfaction in it, as well as in their contributions to the development of society. The conveniences arising from the work as such bring, by their nature, long periods of pleasure and broadly embrace the individual's personality.

On the other hand, the work also brings inconveniences and due to that, it cannot be accepted as a value. The inconveniences in work occur as a consequence of forced work where the individual is a means for realization of needs alienated to them, or from forced work necessary to ensure existential needs. Such work is not free and, therefore, cannot realize the individual's productive forces or bring direct conveniences to the individual.

Direct value of work needs to show the relationship between total conveniences and inconveniences brought by each form of work while lasting. A greater value will present the work that suits more the individual's nature, their individual characteristics, which realizes more conveniences in its duration.

Let it be accepted that averagely convenient and inconvenient work has as direct current value labour, a magnitude equal to 1 (one). If the interval between the extreme inconvenience and the extreme convenience of work were from 0.1 to 10 then the convenient work would, in mathematical terms, be a hundred times more valuable than the inconvenient.

Each worker can most efficiently establish by themselves the direct value of current labour, because they know best how convenient or inconvenient the work they perform is. Each individual needs to assess the relationship of the magnitudes of everyday work burden and relaxation with all their psychophysical factors and compare them with other work obligations. The result of such assessment will be a magnitude between 0.1 and 10 that will indicate the relationship of the work conveniences and inconveniences on a specific work post against average work.

A lower value of current labour represents greater inconveniences in the work duration and therefore needs to realize a larger share in income distribution in order to compensate the work related inconveniences. A higher value of current labour advocates greater conveniences in the work duration in relation to average work and needs from that point of view to realize a smaller share in income distribution, and will thus realize smaller conveniences in the operating results.

The share in the distribution of operating results is determined by the price of current labour. The current labour price is inversely proportionate to direct current labour value. The current labour price will also have a value scale from 0.1 to 10. A more favourable

work will realize direct current labour value higher than 1 (one), so that the price of current labour will be smaller than 1 (one) and the income thus realized will be smaller than average. For example: a very unfavourable work that by direct worker's assessment gets a direct current labour value equal to 0.2, will be five times less favourable than average work and will realize the current labour price equal to 5, and thus an income five times higher than the one on account of average work.

In a system of protected work posts each worker could by their own subjective consciousness evaluate their work as markedly inconvenient and would require a substantially larger share in the distribution of the performance of collective work than the one they would objectively deserve. The new system would ensure an objective valuation of work with the help of work competition in the work market. This means that in the circumstances of equal productivity, the right to work will be exercised by the worker to whom current labour brings greater direct exchange value, or the worker who will demand a lower current labour price and a lower income.

If work becomes a value in its duration, then a larger realized productivity would require a smaller share in the distribution of income. In that way a new trend in the society may be achieved in which direct exchange value of the work would rise to the point where it would become more important than the operating result. Such a trend may form a turning point in the development of the society.

The society needs to form such a division of work so as to allow the work to realize a greater direct value. This is possible to achieve by automation of the production, by the redistribution of inappropriate forms of labour and by increased possibility of selecting the types of work where the individual may find the sources of realization of their productive, essential forces. The work as a form of realization of the individual's being may find a non-exhaustive inspiration and also a necessity, convenience and value. Such work has its usable value. The prosperity of the society lies in the approach where the work in its duration becomes a value, in which it brings conveniences greater or at least equal to the conveniences realized beyond the work.

The result of such an approach to the valuation of current labour is the number that shows the price of current labour of each worker employed in enterprises, where workers directly realize income by their work. However, each socially useful activity would need to be proclaimed as valuable, irrespective of whether it participates directly in the production. An unemployed individual contributes in some form to the society on a daily basis. The individual is a value to the individual, and this standpoint must be accepted by the society in order for such a value to develop.

This measure refers to all unemployed people: to pre-school children, to pupils, to persons of advanced age who are no longer able to work, to invalids and those not wishing to work. Accepting the values of each individual's current labour means to ensure to each individual an income-based compensation to the level of the recognized price of current labour. The current labour price of unemployed population needs to be determined by the commune's leadership on the basis of the commune's needs and

possibilities, and adopted by the commune's assembly or council. Such values may be changeable according to economic possibilities and needs of the social community. If workers were not sufficiently interested in work, the price of current labour would with the unemployed portion of the population fall depending on the category of the unemployed, which would reduce their income and would rise, in terms on income, the interest in work.

On the other hand, if workers were more interested in work than necessary or, more precisely said, if direct work becomes a value, the current labour price of the unemployed portion of the population would rise immediately with the increase of their share in the distribution of the operating result, which would reduce the income-based share of the interest in work.

Such regulation of income between directly employed and unemployed portions of the population will contribute to the balance in the work demand and supply, and to the balance within complex social relations.

Such an approach of work valuation will ensure both economic and existential independence, and freedom to each individual, which is a basic prerequisite for social freedom, stability and prosperity. It is necessary to ensure to each individual their basic needs, because an individual's endangered survival leads to the endangered survival of the society. This measure is nothing else but a universal substitution for social, pension and disability insurance, for solidarity-based payments to the unemployed, for children allowances, or for tax facilities in the case of multi-member families. Therefore, such a system of distribution does not represent any additional burden to the society, because everyone spends money anyway. Instead, it represents a simpler, more just and more efficient redistribution that is at the same time more natural and wiser when social determinations are concerned.

Each work contains elements of current and past labour. Past labour without the current one that maintains it has no value, while current labour cannot exist without the past one.

As current and past labour are mutually linked, and as production develops by geometric progression, the price of each work may be shown by the product of past labour value expressed in points of past labour and the price of current labour.

$$\text{Work price} = (\text{Points of past labour}) \times (\text{Current labour price})$$

Such price of current labour needs to be the basis of the work's indirect value. It clearly arises from the formula that the price of each work is proportionate to the quantity of past labour points and the current labour price. The more past labour points a worker gathers, the higher the price of their work, and the higher the supposed net income. On the other hand, the more productive and more difficult, more responsible, more

dangerous, more complex, more inconvenient, more unhealthy work a worker performs, the smaller will be the value of current labour and, therefore, the work price will be justifiably greater, as will the income.

The association of enterprises in the commune realizes the right of workers to work of any work post, while the method of substituting indirect forms of past labour values allows them to realize income proportionate to the quantity of past labour points. The worker who possesses a larger quantity of past labour points will realize a larger income than the worker who possesses a smaller quantity of points even though both workers realize the same work performance. Past labour points will become a sort of humanistic shares that will bring income substitution for all kinds of profits, interests, rents, dividends of capitalist form of production. However, workers' large individual incomes will not create a large burden to their companies because the incomes will be calculated at the level of commune. It will be better explained in the chapter "Commodity Price".

The current labour price will be maximally objective because it will be directly established by work competition. Do not be confused with the small value of current labour price in relation to past labour points because an increase of current labour price of only 0.1, way according to the formula increases the price of work by a significant 10%.

The price of work will be a basis for forming the incomes of workers. As the price of work will be objectively established, the society will accept such a system of distribution as a just one. In this way, the big problems of income distribution today in society will be overcome. Such a system of income distribution may pave the way for a continuous productive orientation in the society. Naturally, the work price will find its confirmation or negation in the realized income that will depend on the realized labour productivity and on a multitude of other factors.

### 3.1.2.1 Work Division

It is visible from the earlier overview that the market economy does not have the operative possibility to establish long-term stability. A stable system of business activity can only be established by a planned economy. Planned activity needs to be based on known social needs. In such circumstances, all producers get associated and organize themselves to meet social demand. In such a form of production the workers would need to meet all their needs as workers and consumers.

There is no doubt that the conditions are currently not mature as yet for establishing such a form of production. However, it is possible to form a market economy system that will orient itself according to the stable planned economy and thus optimally meet social needs.

This is possible to achieve by pooling the commune's economy through a buy-out of private ownership of the means of production with past labour points. Such a measure would let all inhabitants become humanistic shareholders of all companies in the commune. Such ownership could be called communal, while the management system would be similar to that of a large shareholding company, with humanistic corrections. The associated economy of the commune will ensure the largest possible stability of the commune's economic system, full employment of workers, and a democratic decision-making in the process of production.

Big changes will be introduced into the system of work division. The deficiency of the present-day work division is that it does not offer a wide enough possibility of work choice. Namely, filled up work posts in the associated labour, meaning almost all work posts, are not accessible to other candidates or unemployed workers. Such work posts are privileged even in capitalism which has developed a market competing system of doing business. Ensured work posts offer economic security to workers but they at the same time, certainly lull their productive forces. When one cannot choose their work, it is hard to expect from them to realize their creative essential forces. The work then becomes monotonous, forceful and as such contributes insufficiently, no doubt, to the production of conveniences in society. Such work per se, is not a value, which is a pity, because an ordinary individual spends a large part of their lives doing work that does not bring them conveniences.

In centralized forms of economy such problems are even more pronounced. That is why the new system has to introduce a permanently open competition for each work post and to fill in every work post with the worker who will realize the greatest productivity there. The problem of privileged work posts will no longer exist in such a system, work will become a value, and productivity the largest necessity.

The system requires the abolition of business secrets as a condition for disalienation

and a general prosperity of the society as a whole. In the future, information and knowledge will represent the largest capital. Therefore, conduct of a policy of an open insight into business activity will come across obstacles. The new system will remove such obstacles by giving satisfactory rewards to inventive workers. Any idea that brings progress in the process of production will be defined, and then the protagonist of such idea will be compensated with an adequate quantity of past labour points, corresponding to the contribution such idea makes.

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Associated labour requires an organized division of work. In the complex process of production, the work of workers is markedly interconnected and mutually dependent, which requires a high degree of preciseness and discipline in production relations within the work process. Managers in all community activities will carry out such work organization. Managers need to analyze the working potential of workers, the potential of the means of production and market needs, and then orient the associated labour so as to be able to most efficiently satisfy the social needs.

It will be the duty of managers to distribute the work in the manner that will allow full employment of workers. Otherwise, competition among workers for the work posts would create unhealthy relations in production. With changes occurring in social needs, the work meeting such needs will have to be changed as well. In this connection, managers will need to have authority to either expand or narrow, according to their own judgment, the work obligations of each work post, to close work posts not sufficiently needed, and open new ones to take care of the balance in the supply and demand of work by workers.

Work posts in less productive enterprises have their contracted obligations that have to be observed by management, as long as there is a need for them. If these are the work posts that reduce volume because need is falling, the number of workers will get smaller and smaller until full shutdown of the enterprise. The workers whose employment is terminated because of the reorientation of the economy will be recognized to have met their contracted obligations in full and would thus be remunerated for their work, and will seek new jobs with the assistance of management.

All work posts are subject to work competition in the market of work within the operational possibility of each work post. Candidates for the commune's leaders manifest their productive power by the proposed productivity of the commune. Each candidate analyzes the existing resources and proposes a program for achieving a higher productivity of the commune.

The assembly or council of the commune elects the best candidate for the post of the commune's leader. The assembly consists of a Chamber of Citizens elected in elections, and of a Chamber of Economy consisting of shareholders holding the largest number of past labour points in the commune.

The commune leaders will follow up the operation of enterprises, act in line with the agreed upon and established authorities, and direct the work where it is most needed. Leaders of the commune elect managers of enterprises, and their decision has to be approved by the managing board of each enterprise, composed of the workers with the largest number of past labour points. Lower-ranking managers will have at their disposal the socially owned means of production and a certain number of workers. They direct work in an organized fashion in order for their enterprise to accomplish the highest productivity possible.

And finally, each worker freely competes for the exercise of the right to work at any work post. Management establishes the necessary productivity and accountability for each work post. However, each worker may expand the obligations assigned to their work in the function of quantity and quality of such work, if they contribute to improved productivity of the collective, which is evaluated by management.

Workers are bound to comply with the requirements of their management and the contracted obligations; however, they will be free to act autonomously, in line with the autonomy granted by their management. The same applies to the relationship between the lower- and higher-ranking management. If production were performed according to the requirements of higher-ranking management only, it would be exclusively centralized. Management of the economy cannot organize the entire production. In that regard, the higher-ranking management must grant to the lower-ranking management an adequate autonomy in their work.

If a new production would require a larger amount of cash assets, or a larger volume of work engagement, the lower-ranking management will have to seek permission therefore from the higher-ranking management. The lower-ranking management may dispose fully independently of a smaller amount of money or a smaller quantity of work for the needs of expanding the economy. The only a optimal relationship between the higher- and lower-ranking management's decisions needs to be such so as to allow the economy to realize the largest productivity.

A higher-ranking manager who would give only a few rights to the lower-ranking management would be overburdened with making less important decisions, while the lower-ranking management would be limited in its entrepreneurship, which would result in stagnation and the lagging behind of the economy. If the higher-ranking management gave too man authorities to the lower-ranking managers, the possibility of coordinating actions would decrease. A great freedom would bring along the inconveniences of an anarchic market economy. In this regard, the higher-ranking management needs to maintain a permanent contact with the lower-ranking management. It would in that way receive feedback about the level of work capacity utilization in certain plants, which allows a constant spill over of work and a greater utilization of work capacity.

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A worker who offers the highest productivity and responsibility and the lowest price of their own current labour or, more precisely, the lowest income is the most suitable for the collective staff and the society as a whole and therefore they should get the right to work at such work post. Each work, management included, may be defined in the function of productivity, responsibility and the work price. In order to more easily compare the mentioned different work functions, it is necessary to express for each work post the mentioned values by the following coefficient:

$$\text{C-work competition} = \frac{\text{C - productivity} \times \text{C - responsibility}}{\text{Current labor price}}$$

This formula will require the coordination of influences of each variable. After that it will give the value that points to the competitive capability of a worker for a needed work post. Each worker proposes a magnitude of coefficients according to their own capabilities for the job they wish to perform. A worker who offers a higher productivity, a higher labour responsibility, and a lower current work price will win the right to work at the desired work post. Besides that, the realized higher C-of work competition allows each worker to take the work post of another worker with the obligation to assume all labour obligations and responsibilities of that work post.

## **Labour Productivity**

Each work has its measure of productivity. Today, the measure of productivity can be in the easiest, most comprehensive and most efficient manner determined by cash profit on the market. Cash profit in the free market involves all elements of productive business activity such as the quantity and quality of work, cost effectiveness, rationality, usability, serviceability, etc. Cash profit is the social evaluation of the success of business performance of independent workers and enterprises. However, there are no commodity-money relations within the enterprise, so that productivity needs to be expressed by the quantity and quality of the goods and services produced in a determined time interval.

Where it is not possible to establish exactly the labour productivity by the produced goods or where the establishment of productivity would take too much time, productivity can be expressed by the assessment of the operating result value. An existing productivity expressed by grade for each work post has the value of 1 (one). A worker believing that they can increase the productivity by 10% will offer the assessment of their own productivity higher by 10% of existing productivity, and the value of their envisaged productivity will then be 1.1. The work assessment may replace all other

forms of labour productivity valuation. Each worker can show his C-productivity by the formula:

$$\text{C-of envisaged productivity} = \frac{\text{Envisaged Productivity}}{\text{Existing Productivity}}$$

The envisaged productivity expressed in money, products or work estimate, and if identical with the existing one, will form the coefficient 1(one). A coefficient larger than 1, will indicate a work more productive than the existing one. A worker who offers a larger coefficient will exercise their right the desired work post.

Once the accounting period is over, it is necessary to valorize the realized productivity in order to establish the success of the work offer made by the worker. The realized productivity may be presented by a coefficient with the following formula:

$$\text{C – of realized productivity} = \frac{\text{Realized Productivity}}{\text{Envisaged Productivity}}$$

The realized productivity expressed by cash profit on the market may efficiently show the success of the business activity and other forms of productivity valorization are, therefore, not necessary. However, the said form of work valorization is applicable only to self-employed entrepreneurs and management of the associated labour in the economy.

In direct production of commodities, the volume of realized and envisaged quantity of products and services may establish productivity. Where productivity cannot be exactly expressed by the quantity of products and services or where establishment of the quantity would be time-consuming, assessment of indirect work value will be introduced.

The grades for workers' operating results may be given by managers, the managing board and by workers among themselves. Managing boards in enterprises will monitor the important improvements of the operation of workers and enterprises, as well as the significant damages that the workers and enterprises may cause. Their grades will objectively show the bad work of the workers as well as any improvement in operation. Further, the workers know best among them the quality of each worker. Each worker may be entitled to grade the work of several other workers as a response to the envisaged productivity of each worker.

The grade received will be a confirmation or negation of the envisaged grade that each worker has given to themselves as an offer of their future productivity. The proposed subjective grade of a worker's productivity will get its objective confirmation or negation, which will influence the development of objective value categories in production.

Work valorization is necessary not only for establishing the accountability of workers for the realized productivity, but also as determination that defines recognition of the individual's essential powers. The individual needs an objective scale of values in order to get to know themselves objectively, as well as the possibility of their own upgrading.

The coefficient of realized productivity that realizes the value higher than 1(one) will represent the productivity realized in a volume larger than envisaged, and will also realize a higher income. And vice-versa, the coefficient of realized productivity smaller than 1(one) will represent the productivity realized in a volume smaller than envisaged, and income will also be smaller.

## **Responsibility of Workers**

Without a defined method of bearing responsibility, workers would not be bound to implement their proposed productivity. In this way, their declarations in favour of the work competition would be exaggerated, and operating results could not follow them.

It is necessary to set up a system by which every worker will bear responsibility for the realization of their envisaged productivity. It needs to be based on the coefficient of realized productivity. The system of responsibility bearing needs to be thorough, multi-layered and efficient.

Each worker needs to bear responsibility for their work, and since their work is non-alienable from the work of the collective, they thus also bear responsibility for the productivity of the collective. The level of responsibility assumed by a worker may be set by the coefficient of responsibility.

Let it be assumed that the average coefficient of responsibility gets the value of 1 (one). Let it be assumed that the interval between the minimal and maximal responsibility is 0.1 to 10. The responsibility set by the value equal to 0.1 would be the minimum, and that set by number 10 would be the maximum responsibility. Enterprises may set a separate minimal coefficient of responsibility for each individual work post.

Let each worker set the level of their responsibility that they may assume for their work and for the work of the collective expressed by the coefficient. Such responsibility must be at least the same or higher than the minimally established responsibility for a concrete work post. A higher coefficient of responsibility needs to render a higher work competitiveness in the work market for performing work at every public work post, and vice-versa.

The coefficient of responsibility will have to reflect the distribution of incomes. Less responsibility assumed will mathematically reduce the impact of the realized and foreseen productivity on the level of income. On the other hand, a worker who offers a greater responsibility will realize a higher income than the worker offering less responsibility in the case of equally good business operation. And vice versa, such a worker will realize an income smaller than that of their rival in the case of equally bad business performance. As each work leaves in some form, a lasting consequence on the society, the coefficient of responsibility will also need to influence the value of past labour through past labour points.

The total gross quantity of past labour points of all workers in the commune needs to be equal to the realized cash profit of the commune. With the rise in productivity in the economy, workers will also realize a larger cash profit, and will thereby also acquire a larger quantity of past labour points for distribution. And vice-versa, when losses occur in the economy the workers lose past labour points.

Economic enterprises that realize a rise in productivity will realize a surplus of cash assets. They will distribute that surplus to workers in the form of past labour points, proportionately to their coefficient of responsibility. If the envisaged and necessary productivity are equal, there will be no change in the quantity of past labour points of workers. And finally, if the difference of the quoted productivities shows a loss of money, the difference will be deducted from the past labour points of all workers of an enterprise, proportionately to the coefficient of responsibility.

Enterprises in non-profit sectors, such as administration, possibly health care, education and other activities proclaimed as such by the commune through its leaders and the assembly, do not realize direct income in the market. Instead, they realize it on the basis of appropriations from the commune's revenue.

In non-profit companies, the measure of the operating result value needs to be based on realized productivity in the function of the quantity and quality of operating results. The work quality needs to be expressed by a satisfaction evaluation form of the service user. A higher grade received from the service user will be equivalent to a higher cash profit of economic enterprises. In this way, non-profit companies will have a measure for productivity of, and responsibility for the business activity.

The system needs to fully equalize the measure of success in the business activity of profit and non-profit companies. By applying mathematical coefficients, it is possible to compare the revenue of the profit economy and the realized productivity of the non-profit companies expressed in any magnitude, including the assessment of productivity.

All unemployed inhabitants will also have some sort of a C-responsibility set by leaders and adopted by the assembly of the commune. They can, on this basis, receive or lose past labour points but in a smaller quantity than workers in production. In this way, the entire population of the commune will bear responsibility for the commune's productivity.

Since the production or, more precisely, the cash profit in the market may show oscillations in the periods of accounting, collective responsibility by way of past labour points needs to be linked with the period when the business activity of an enterprise shows objective indicators of success. The accounting period may be different for different activities; however, it may be considered that productivity that shows smaller or larger oscillations in monthly accountings will in a period of one year give a real account of productivity.

Once the quantity of past labour points that each enterprise realize or lose as a whole is known, then distribution or deduction of these points will be carried out proportionately to the coefficients of responsibility of workers. By applying the computer technology in the period of accounting, the distribution of past labour points as well as their deduction can be quickly and simply calculated for an unlimited number of workers by the formula:

$$\text{Worker-1} : \text{Worker-2} : \text{Worker-3} : \dots : \text{Worker-n} = \\ \text{C-respons.-1} : \text{C-respons.-2} : \text{C-respons.-3} : \dots : \text{C-respons.-n}$$

Then computer technology can quickly and easily produce the results in the form of:

$$\begin{aligned} \text{Worker-1} &= +/- \text{ Quantity of Points-1,} \\ \text{Worker-2} &= +/- \text{ Quantity of Points-2,} \\ \text{Worker-3} &= +/- \text{ Quantity of Points-3,} \\ &\dots\dots \\ \text{Worker-n} &= +/- \text{ Quantity of Points-n} \end{aligned}$$

The obtained values are different magnitudes expressed in past labour points that are added to (or deducted from) the quantities of past labour points held by workers.

Example: A worker who stated a coefficient of responsibility of 1.5 will realize on account of the responsibility function a gain of past labour points three times larger than the worker who stated a coefficient of responsibility of 0.5 in the case of a rise in profit of the enterprise, and a three times larger loss of the past labour points in the case of losses of the enterprise.

In the proposed system, each worker bears responsibility for the work of the collective proportionately to the stated size of the coefficient of responsibility. In this way, workers become active creators of their own conveniences and inconveniences, and are no longer passive collective members. Such responsibility will require that workers become

familiar with the consequences of doing business, which will largely contribute to overcoming alienation in the process of production.

In the capitalistic form of production, a larger profit is as a general rule related with a higher risk of investing money. The new system introduces C-responsibilities with which the workers can, according to their own will, speculate the risk assumed for the success of the collective production. However, such speculation is non-alienable from the direct work of the workers, which will contribute to the rise of direct responsibility in production. A higher responsibility requires a higher degree of mutual confidence, community, which will result in a larger productivity and prosperity of society. The higher degree of responsibility will be formed by workers who are more familiar with the flows of business, who have more confidence in themselves and in the collective as a whole.

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So far the individual participation of workers in collective responsibility has been described. Now what needs to be defined is the individual responsibility of workers in the process of production. Workers individually might produce benefits or damages in the collective process of production. In order to create a productive orientation of society it will be necessary to define within the production process a principle of remunerating and sanctioning the workers by a certain number of past labour points. Such remunerating and sanctioning needs to be carried out by arbitration commission of the company in accordance with the accepted company regulation.

An enterprise's management may also make the assessment of whether a certain work is successful or harmful. However, mutual assessment by workers is perhaps the best way for establishing individual responsibility. Mutual assessment of the work would reward the good workers and sanctions the bad in the function of the proposed coefficient of responsibility. Let it be assumed that each positive assessment brings the worker past labour points in the quantity of the autonomously stated coefficient of responsibility. And vice-versa, let it be assumed that each negative assessment deducts past labour points to the worker in the function of the autonomously stated coefficient of responsibility.

Such a system of assessing the work value and of bearing responsibility represents in the broadest sense all influences that the work brings along. It may reward each convenience and sanction each inconvenience that a worker inflicts to another worker or to the community in its entirety. Each worker will care to not inflict by their activity, or to inflict as little as possible, inconvenience to any other individual and to bring to every individual as much convenience as possible. This will represent the substance of a productive social orientation that will promote inter-personal relations.

Example: Let us assume arbitrarily that the average income in the commune is 100,000 monetary units. In that case, the average quantity of past labour points is 100,000 points. If a worker cannot assume a great responsibility for their work, they will opt for a small coefficient of responsibility. If they propose their own coefficient of responsibility at

the level of 0,1, one positive vote would then bring them 0,1 point, and five negative votes -0,5 point. Then in the first case, the worker with the average quantity of past labour points will have 100,000.1, and in second case 99,999.5 points.

A worker wishing to increase their work competitiveness must also increase their coefficient of responsibility. The coefficient of responsibility of 1,2 will bring 12 points to the worker who gets ten positive votes. If the same worker has 100,000 past labour income points, they will have 100.012 points after the assessment. If they, instead, get 20 negative votes, 24 points will be deducted, and will thus after that have in total 99.976 income points. As accounting is done on a monthly basis, such a system will require a highly responsible work. I have to repeat that the examples are fully arbitrary and that implementation of such measures in practice will require a broad study and social acceptability.

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There is no doubt that in such a system each worker will be cautious before stating their own productivity and degree of responsibility. Such cautiousness will prevent hasty statements and voluntarism. The system will allow each worker to get to know their own capacity, to act in accordance with their own capacity and thus meet their own needs. Such an act is a precondition for a constructive orientation of the society as a whole.

Responsibility is some sort of fear of inconveniences. The fear of inconveniences gives the individual a driving force that is a condition for reaching a convenience. When an inconvenience is unreachable, it is hard to find a reason for someone to set into action, because where there is no possibility for inconveniences to occur there may not be conveniences, either.

The system protects nobody against malevolent voting. Therefore, anomalies are possible on the occasion of voting, which cannot be a rule, because such a society would tend to its own destruction. Generally, the workers bringing more conveniences to the society will profiteer, and those creating major inconveniences will lose.

Authoritative managers are most exposed to particularly unfavourable expressions of views. Therefore, one may expect their withdrawal in favour of cooperative managers who will take into account remarks coming from the workers, who will seek for the most favourable solutions for doing business and direct, on the basis of collective agreements, the economic activity.

The unemployed population also bears responsibility for their activity; however, the coefficient of responsibility is set by the commune's leadership. This degree of responsibility may be lower than the responsibility for production, however, sufficient so as that all inhabitants of the commune behave with respect vis-à-vis their environment. This means that the unemployed population, if bringing conveniences by its activity, may also be rewarded by an individual community member by way of adding income-based points equal to the level of the community's coefficient of responsibility, and vice-

versa. In this way, the entire population of the commune mutually rewards conveniences and sanctions inconveniences.

Once the annual accounting is complete, total gross quantity of past labour points of all workers needs to be equal to the average periodical profit of the economy in the commune. After all additions and deductions of past labour points relating to individual responsibility of all inhabitants, it is necessary to carry out the settlement of the total quantity of past labour points of all workers and of the realized profit of the commune. The final settlement might be effected proportionately to the quantity of past labour points of the population in the same manner as awards and penalties of workers are calculated in companies.

### **Current Labour Price**

Finally, it is the price of current labour that forms the competitive power in selecting the work. The current labour price depends on all conveniences and inconveniences that the work brings in realizing the necessary productivity in relation to the conveniences and inconveniences of other forms of work or from outside of work.

The system envisages that workers set by themselves the current labour price by a coefficient within a value range of two numbers that may be from 0.1 to 10. The price of average current labour will have the value of 1(one); a work twice as inconvenient will have the price equal to number 2, while the work twice as convenient will have a price of 0.5.

A worker who seeks a lower current labour price on the labour market for equal productivity will realize greater work competitiveness. The system of work competition will for each work post set a limit value of the current labour price, which will be accepted as objective by the society. Such a current labour price will exert impact on the creation of an objective system of income distribution, which will overcome the hitherto unsolved problems of income distribution in the associated labour.

When a worker has no possibility of work selection they must accept work conditions irrespective of how much they suit to them. In such cases work is a coercion that brings inconveniences to the society. The new system allows every worker to find the work that brings them greater individual conveniences, whereby the work, while lasting, may become a value that promotes the society in any respect.

In the case that the work becomes a value, a worker holding a larger quantity of past labour income-based points will be able, in order to increase the competitive power, to reduce the current labour price because their income will still be sufficiently high. A worker with a smaller value of past labour will withdraw, because their income would be too small.

On the other hand, if a worker aspires for greater conveniences in the operating result, they will seek less valuable forms of work or, more precisely, less convenient works that will allow a higher current labour price, and will realize a higher income. Less convenient forms of work will be presented by a high current labour price. Such a price will form an expensive work and, therefore, management will be gradually phasing it out by introducing automation, or by redistributing the work.

## **Achieved results**

No economy can be more productive than the one where the best available worker gets each job and who, for their productivity, bears responsibility to the collective. Therefore, public companies will easily become significantly more productive and more profitable than the private ones. The owners of private companies, under the competitive pressures of public companies, will try to increase their productivity in a similar way as public companies, but they could not go far enough because they simply would not have the operational capabilities to oppose the public companies. Specifically, private entrepreneurs would not be able to accept the participation of workers in decision-making and profit sharing processes of the company, because in that case they would no longer be able to gain any advantage in their own companies in relation to the workers. What is private ownership for then? Given that workers in private companies would not have the freedom as offered with employment in public companies, and could not participate in sharing the profits, they will be less interested in working for private companies.

I believe that already at the beginning of the implementation, many private companies in the region will voluntarily join the new system. Owners of private companies will get the equivalent value that presents their productive power, in the values of past labour points. In addition, owners of private companies will find out that large companies will be more stable to conjuncture changes which will ensure a greater stability of the economy and the values they possess. If the owners of private companies today would have the chance to join such a company, they would most likely do so, because it would preserve more of their capital values in the frequent crises of capitalism.

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Work competition allows each individual to provide for optimal conveniences. In such a system all work posts will be equally sought because the conveniences and inconveniences brought by the work will be balanced. This type of balance is a precondition for the balance of the society as a whole.

The system gives the right to anyone wishing to work, and this means that the inconvenient form of unemployment, as is possible in the present-day socio-economic systems, cannot exist. The social dissatisfaction with the work and income distribution

that in the classical system of business operation is solved with strikes and individual riots, cannot exist in the system of this kind.

The new system will require a higher degree of a more universal education based on the development of skills to handle information. The new system will organize courses for each form of activity immediately upon the appearance of interested candidates. Also, the society needs to ensure to everybody a specialized highly complex education to the extent to which each individual will have a need for in performing the desired activity.

The education system presents how big changes are coming as well. Teachers will work hard to satisfy the interests of students because students will evaluate their work. On the other hand, teachers will no longer need to evaluate students because students will later through their work be evaluated by society no matter what they choose to do. School will no longer be a guarantee for acquired knowledge but only a place for acquiring knowledge.<sup>16</sup>

In more complex work forms, such as managing functions, justice functions, specialist work, a candidate will first have to undergo a selection and be elected by the managing boards of the enterprise or by the commune. On all other work posts the employment technique will be very simple. Management decides whether productivity is limited or not on a certain work post, and give the minimal C-of work responsibility. Candidates then give their offers.

A worker who offers a larger productivity, a higher degree of responsibility and a lower price of current labour gets the highest value of the C-work competition and, therefore, exercises the right to work at a certain work post. This means that they can also take the work post of an employed worker if the employed worker cannot, or does not wish to, accept the competitive conditions expressed by the value of the C-work competition. The employed worker at such work post may be given a short time-frame in which to respond whether they can and wish to assume a larger productivity, responsibility or a lower current labour price. If they accept, they continue to work at their work place, however, under new conditions.

A worker who cannot accept the competitive conditions leaves their work post. Such a worker is recognized to have met all their obligations in such a work post. They exercise the right to periodical distribution of past labour points, as if they have realized the envisaged productivity. The income of such a worker will gradually decrease because the price of their work will fall until they find a new work post, at which point the income will start gradually rising again. Hence, the worker leaving their work post is protected in terms of income, so that temporary unemployment will not produce to them any significant material inconveniences. The loss of a job in such a system would not represent, either, a great essential inconvenience because each and every worker can autonomously and over a short time find a new job where they would, according to their own skills, realize a greater productivity and convenience.

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<sup>16</sup> My clash with sciences, Aleksandar Šarović, [http://www.sarovic.com/clash\\_with\\_sciences.htm](http://www.sarovic.com/clash_with_sciences.htm)

For the purpose of realizing a steady continued business operation, the society needs to oblige the worker losing the work post a new responsibility of making their competitor familiar with all work obligations. A new coming worker takes over all work obligations of their predecessor, and adds new ones. They assume the responsibility to accomplish the existing productivity of the previous worker, as well as the offered rise in productivity; however, they get remuneration in the form of past labour income-based points only for own rise in productivity.

The means of production find their major justification if they are in the hands of the best workers. Work competition may ensure a much larger productivity than the capitalistic form of business operation, which will ensure an abundance of commodities and services.

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The concept of power is in the present-day society considerably alienated because an individual has throughout their lifetime lived oppressed by authoritative forces. That has brought to them an intensified feeling of inferiority and creates, as a reaction, a need for superiority. The individual of today has an interest in any form of affirmation through competitions in sports, culture, possession of money, etc. Being a winner represents a great value to the individual, because it is precisely there where their power is manifested and proved. Victory compensates the subjective experience of impotence.

Work competition eliminates the privileges in work, and this also means all inconveniences in the society that the privileges create. Work competition represents a permanent struggle for the realization of larger productivity. This is the struggle allowing any worker to be the best in their segment of acting. It will be a form of recognition, a possibility for the individual to compensate the impotency caused by authoritative influences, to become aware of their vitality, of their own powers. The individual would permanently see such recognition reflected in the eyes of the society.

There is no doubt that competition in work is more acceptable than all other forms of competition because it brings, inter alia, socially beneficial operating results. Workers who will considerably develop egoistic trait will be greedy in the field of work, and this negative character feature will contribute to larger productivity and, accordingly, to a larger welfare of society.

The work competition will not allow anyone to sit back on their laurels. As time passes, a fatigue and saturation with the excessive acting in a broad social sense may be expected and, consequently, the ambitions will grow weary. Such an orientation will form a natural balance between the individual's natural needs and possibilities. This would inevitably lead to objective acceptance of the proper limitation of each individual and to the respect of each individual for another individual.

Work competition is not to be understood as an elementary power where the workers

will endanger the work posts of other workers to an extent greater than needed in productive terms. This assertion is primarily based on the fact that everyone will have the survival and the right to work ensured. Moreover, the work competition will contribute to the creation of a balanced relation of the work conveniences and inconveniences on all work posts. Therefore, there will be no excessive need for a change of work posts.

It has already been said that the newly arrived worker also assumes responsibility for the realization of the existing work obligations of the worker who was pushed away, which may be very risky. They will be able to decrease their C-of responsibility irrespective of whether the enterprise they work in operates well or not, and whether the same work suits them or not. Further, the worker commits to stay at a certain work post for a definite period of time. In that period, they will not be allowed to compete for new work posts unless they are willing to pay a penalty in income-based points for early leave. Moreover, a worker who willingly leaves their work post cannot be relieved of the responsibility for the envisaged productivity they offered for the determined period of time.

And finally, any worker who takes the work post of another worker may assume that this will be inconvenient for the other worker, and possibly to their coworkers or customers so that they may over a longer period of time assess them negatively, which will have a negative impact on income and the quantity of past labour points such a worker holds. In this regard, each worker will think well before taking up somebody else's work post.

Changes of work posts among workers will only be to the extent that allows the individuals and the society in general to accomplish optimal conveniences. If an individual worker decides to win the right to the work post of another worker, this will primarily be for the reason that they will be performing that work in a significantly more productive way so that the society will also realize major conveniences, or the work will be considerably more convenient to them and, therefore, cheaper for the society. A less productive worker will calmly withdraw with respect, and seek another job. Where respect exists, there is no conflict because bravery and capability always respect one another.

Authoritative relationships in such a form of production would sooner or later be markedly non-productive. Productive work will be based on the principle of mutual equality, agreement and confidence among workers. It may be assumed that the workers in the system of work competition will mutually respect and assist one another. The relationship between the management and workers will be built on mutual confidence and community, which will develop full equality and abolish the differences between mental and physical work.

It may be assumed that in such a system the change of work posts will mostly be carried out by an agreed-upon exchange of work posts among workers. This agreement will not be made among privileged people any more but among productive people's powers. Workers will make mutual agreements about needed productivity, prices of

works, and responsibilities but they will not be able to do it on the expense of other workers as is very common today, because everyone will be able to breach unethical agreements. In such a way the system will ensure its productive orientation in every segment of the production processes. Besides that, the agreement will push the competition out, which will contribute to the disalienation of the society and to the creation of harmonious social relations.

With the work competition in place, all workers are on an equal position on the occasion of work division and, accordingly, of the distribution of the operating result. As not a single work will be privileged any longer, the system of work competition will contribute to the formation of objective values in production. Abolished privileges break down the power of individual over individual or, to say it more precisely, the mechanism of one individual's exploitation of another individual. Abolished privileges will be pushing out the narcissistic character of workers and thus overcome the subjective alienated idea of the conveniences and inconveniences in the society.

Freedom in the system of work competition will allow the workers to monitor and control work processes with interest, develop a critical attitude and act by relying on their own forces. That road will allow each worker to examine the validity of the premises that guided them in forming the needs.

Assuming that the work competition will ensure an abundance of the means of consumption that will, once saturated, lose its necessity, the work in such circumstances need no longer be the basic means for ensuring the existence, but the means for materialization of the individual's natural and essential creative forces.

Such changes allow the individual to come closer to their nature, to find the values arising from the individual, from their natural sensitivity and contemplativeness - the values that would allow the individual to live by natural rhythm, to find their own balance and conveniences. The system will contribute to the destruction of the subjectively narcissistic vision of the reality of individuals, which will allow the overcoming of the individual's alienation from nature, from another individual and from themselves.

In such a system the individual will accept their own impotency where they cannot surmount it and will discover fields where they can objectively manifest their power and thus satisfy their needs. An individual who constantly meets their needs is not destructive and this is the reason why the system will overcome destructive phenomena in society. In this way, the complete population of the commune is included in the system of responsible living.

Such a system will overcome the individual's destructive orientation directed to themselves in the form of depression, neurosis, psychosis, alcoholism, drug addition, masochism, self-destruction, and all forms of inconvenient phenomena. Also destructiveness toward nature and the society in the form of sadism, aggression, and any form of destruction will be overcome.

Such a system will enable a constructive orientation of the individual, and only then can the individual believe in prosperity, based on productivity, solidarity, mutuality. Only then can the individual believe in peace, love, the joy of living.

Only then will society form a constructive attitude toward the young. Such an attitude will no longer be authoritative for the reason that not a single individual in the society will be subjugated to authoritative forces, and will thus have no model for such attitude vis-à-vis the young. It may be supposed that such a society will form a natural mode of living, with natural needs. It means that the population will desist from alienated ambitions in favour of creating a sound relationship in the society. The relationship will be formed in which adults will respect the young, and in which mutual contradictions will be solved by agreement. The relationship will be created that will allow the individual to develop correctly from the very beginning. Only at that point in time will the society be able to find its own long-term constructive orientation.

### 3.1.2.3. Price of Commodities

Commodities have their sales value expressed by price. In a market system, the law of supply and demand determines the price of commodities. The price of commodities is adjusted in accordance with manufacturing possibilities, purchasing power and the needs of the society.

The proposed system of business activity envisages a form of social shareholding or humanistic ownership of the means of production on the territory of a commune, but also allows free production to independent private entrepreneurship. All enterprises set freely the prices for their products on the free market of commodities.

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Commodities have their manufacturing value. The manufacturing value is compared to market value so that profitability of the production could be established.

In the associated economy of the commune the manufacturing value of commodities incorporates: (1) cash assets intended for the work price of all workers who produce the commodities; (2) the pertaining ratio of the work of workers in the non-profit economy; (3) the pertaining ratio of the unemployed workers on the territory of the commune; and (4) the working cash assets.

The system of calculating the production value of goods is much more accurate than the model adopted so far, and most importantly it will bring much more justice to the system of goods distribution than what is possible today. The production value of goods can be presented by the formula:

$$A = \sum (B \times (1+C+D)) + E$$

The formula indicates that the production value of the goods includes the cost of workers who directly produce goods, then the corresponding price of work for employees working in nonprofit organizations, the corresponding incomes for unemployed workers, and final the value of working capital invested. The formula applies equally to the value of each commodity and totally manufactured goods in the company. Hereinafter production value refers to the total of goods produced in the company in the accounting period of a month. A detailed explanation of the formula follows:

**A** – The manufacturing value of commodities produced in a company in one month.

**B** – The total work price of each worker who participates in the manufacturing of commodities. The price is defined by the quantity of past labour points and by the current labour price.

The quantity of past labour points is determined by the holdings of workers, while workers determine the current labour price by stating it in a freely competitive way. The product of these two coefficients gives the work price of the worker.

**C** – The coefficient of workers employed in non-profit organizations. It is expressed by the proportion of the work price of all the workers employed in non-profit organizations and all the workers employed in profit economy on the territory of the commune.

The proportion of the number of workers employed in the profit economy and the non-profit organizations is regulated by the commune's management in accordance with the needs and possibilities. The work price of workers in non-profit organizations is established in the manner identical to that where workers in the profit economy are concerned. The workers in profit economy produce commodities whose sale generates profit on the commodities market. The workers employed in non-profit organizations, such as teachers and police staff; do not directly realize cash earnings from customers for their work for the reason that this activity is free of charge for the workers in the profit economy and for the commune's inhabitants. This means that the total quantity of produced commodities and services is a fruit of the collective work in both the profit economy and the non-profit economy sectors. Workers in the profit economy use the services of non-profit activities, thus, according to the principle of mutuality, the workers in the non-profit activities also have to use the products of the work performed by the workers in the profit economy. By applying this coefficient, the contribution of the workers in the non-profit organizations is built into the price of the product. Also, the share of such workers in the distribution of all commodities is actually precisely established.

**D** - The coefficient of unemployed inhabitants. It is expressed by the proportion of the number of unemployed and employed workers in the profit economy on the commune's territory in the function of the price of current labour and the quantity of past labour income-based points.

The coefficient represents the entire population that does not work directly: the young, pupils, retired people, homemakers, invalids and, generally, the entire unemployed population in the commune's enterprises. The unemployed population needs to receive income in the name of past or future labour, as well as for reasons of economic safety for such a population, and such income needs to be incorporated in the price of produced commodities.

The quantity of past labour income-based points of unemployed workers is determined by the holdings of past labour income-based points. The current labour price of unemployed workers is determined by the commune's management. A lower price of current labour of the unemployed will generate a smaller income, which would increase the interest in work. And vice-versa, a higher price of current labour of the unemployed will generate a higher income, which will decrease the income based work interest. In this way, the commune's management will direct social work in accordance with social

needs. An increase in the price of current labour of students would stimulate education, etc.

The quoted coefficients represent, in the cost price of commodities, the income-based appropriations for all inhabitants in the commune. The sale of goods on the market allows all commune inhabitants to realize their precisely determined gross share in the realized profit.

**E** – The quantity of cash working assets spent to produce the commodities. Working assets understand the value of the parts of products manufactured by other producers, and refer to intermediates, semi-finished products and raw materials.

Working money assets are mostly set aside from the commune's reserve fund formed by redeeming cash assets in exchange for past labour points, or otherwise. Working assets are taken according to the needs of the profit economy, however, with the obligation of their repayment during the accounting period.

In the accounting period, factors **C** and **D** are unique and may be easily calculated by applying computer technology, irrespective of the quantity of entry data, and are shown by the coefficient **k**. In this way, the manufacturing price of commodities can be expressed by the formula:

$$C = \sum (A \times k) + B$$

The sum of all prices of the work performed by the workers participating in the manufacturing of each product, burdened by contributions, gives the total gross price of the work necessary to manufacture a certain product. If we add the working capital that was spent, we get the manufacturing value of goods.

The total manufacturing value of all goods produced in the commune is approximately identical to the income of the commune's population or more precisely, to the purchasing power of the society. That allows the accomplishment of the best possible balance in the system of the production and distribution of the market-based form of business activity.

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Why is it important to determine the value of the production of goods? Because it presents the efficiency of the business enterprises in the commune. If the production value of goods is higher than the market price, the company is unprofitable. And if the production value of goods is less than the market price, the company operates profitably.

Due to the different equipment of work, the productivity of enterprises is different, and by selling their commodities on the free market they realize different income. In the system of free choice of work on the basis of work competition, work posts realizing a

higher income under identical work burdens would stir up a great interest in workers. On the other hand, work posts realizing a lower income under identical work burdens would arouse considerably less interest. That would certainly produce instabilities in the market of work and in society.

The commune's management needs to solve the issue of balancing the demand for all work posts in the commune's enterprises by analyzing the advantages and disadvantages of different forms of production. The balance may be increased by employing a larger number of workers in enterprises realizing bigger profit, and by decreasing the number of workers in companies that realize smaller profit. If such an option is not economically justified the balance may be established and also larger profits earned, by investing in companies that already produce profit and by closing down the loss-making enterprises. If such an option is not possible the balance lies in investing in the enterprises operating with smaller profit, which would achieve a higher productivity and, accordingly, an increase in profit.

However, the difference in the level of productivity and in the realized income among enterprises in the commune will exist as long as a difference in the equipment of the work is in place. A sizeable automation of the production process will always significantly reduce the necessary number of workers. In this way, the productivity and income of such a company will rise in relation to the producers of the commune having a lower level of automation in their production. Hence, if work competition were the only coordinator between the supply and demand of work, it would always create some kind of instability and inconveniences in the commune.

The proposed accounting system of payment transactions where the total income of all workers corresponds to a total value of manufactured goods and services, envisages that the total income surplus accomplished by an enterprise that is better equipped for work in the commune will be equal to the deficiency of income realized by the enterprises in the commune whose equipment is poorer.

The balance between the supply and demand for work in the commune can be achieved in the way that enterprises realizing an income surplus renounce a part of the cash profit, equal to the difference between the manufacturing and market value of the complete production, in favour of enterprises realizing less income than needed. This is a subvention. The subvention is necessary because in its absence the workers in the system of free choice of work on the basis of work competition would run for work in more productive enterprises. The task of such a measure would exclusively be to balance the income-based interest of workers in all necessary work posts.

Such a spill over of income will allow the selling of all the commodities from all the enterprises in the commune at the market value because it is still the best possible distribution of commodities to consumers. At the same time, the new system will allow all workers to realize an income proportionate to their share in the production process, irrespective of the level of the work equipment of each enterprise. The workers who possess a larger number of points will realize larger incomes even in companies that

realize smaller profits and by introducing such a measure they will not be an income burden to such companies. Such a spill over of income will not, in terms of income, affect the workers in productive enterprises, because they will realize an income proportional to the work price. They will be deprived of the income surplus realized thanks to the better equipment, which is a collective ownership, in favour of the workers with the lower level equipment.

From the standpoint of the capitalistic private entrepreneurship, the system is fully non-stimulating because it does not allow the earning of extra profit by speculations beyond direct work. The new system will form a new work stimulation that will arise directly from the work competition, and from the need of seeking and certifying the individual productive power that represents one of the most important driving forces of the individual. Such a system can achieve a considerably higher productivity than the existing models can, and thus can generate greater conveniences to individuals and to society in general.

In the new system, speculations are only possible by altering statements of the coefficient of responsibility that is directly linked with work productivity and the business performance of the work collective. Individual and collective profits will continue to be realized thanks to the rise in productivity, however, these profits will be smaller as they will not include the privileges resulting from a better status in society, or from the better work equipment in production, or from random work conveniences, but exclusively from the equal struggle of workers in accomplishing greater conveniences to society.

In other words, if each worker equally increases the productivity of the work collective by using new means of production, they cannot speak in such cases of their important contribution to the production, and they need not to be specially rewarded. However, if an individual worker increases their productivity more than other workers in their position, then this will be their own contribution and the same will have to be accepted and rewarded.

The product of all prices of commodities and of the quantity of goods gives the total value of currently produced goods. The realization of such production requires an equivalent quantity of money in circulation as a means of payment for the goods.

### 3.1.2.4. Money

Money is a means of payment for traded goods and services. It serves for the exchange of products of work in a market economy. Money is issued by the state. Each country tries to equalize the quantity of money in circulation and the value of totally produced commodities. It is not easy to achieve in a market economy because it is based on independent factors. Therefore, the monetary policy of a state adapts much more to anarchical market changes than a conscientious economic policy.

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The state apparatus is the largest possessor of accumulated funds and is the largest consumer. The bodies of state authorities maintain administration, defense of the state, the state reserves, non-profit activities, subsidies, insurances, etc. The state realizes the funds through the tax policy. If due to unstable economic trends the state cannot tax enough money, then the government realizes a budget deficit. The state cannot go bankrupt and therefore covers the lack of money for the budget by issuing money. In this way, states could solve economic problems very easily, but when the government begins issuing money they begin to adapt to the act and then it becomes hard to stop. The emission of money increases the mass of money in circulation without being covered by produced goods. Then, there is more money in circulation than the worth of economic production. The economy defends itself by increasing the price of goods until the balance between supply and demand is reached. The product of this is inflation in which money loses its value.

The state defends itself from inflation using a restrictive monetary policy. Such a policy reduces the amount of money in circulation. Then, a deflationary tension may appear that leads to the blockage of the circulation of goods, to recession, and to economic crisis. In the capitalist society, states try to remove the deflationary tension through credit policy. The central bank issues fresh money through commercial banks and then balances the supply and demand of money through the interest rate. Then the interest rate becomes an instrument of economic policy of the state, which gives stability to market economy.

An increase of the production of goods requires increased amounts of money in circulation in order for the manufactured goods to be bought. Capitalism has no mechanism to do that in a satisfactory manner. The credit policy of issuing new money solves that problem only temporarily because the money must later be returned. The problem is even greater because there is not enough money in circulation to allow the borrowed money to be returned with interest. Debtors find a temporary escape in re-borrowing money from banks that they cannot return. Thus, the capitalist method of production chokes itself and the result is often the bankruptcy of companies. Bankers take over such companies at a bargain price and this is one more way how they enormously enrich themselves. Bankers became so rich that in America they even

established the Federal Reserve Bank with the help of cunning and corrupt politicians.

The Federal Reserve Bank is the U.S. central bank and since 1913 it has been placed in private ownership. The owners also have control over the issue of money. They lend money to the state and to other users, and require its return normally with interest. According to the law, the owners of the Federal Reserve are required to return issued money and profits to the treasury, but there is not enough of a powerful organization that has real power to control the operations within the Federal Reserve Bank. Even if their books are clean they can still produce a lot of money out of thin air by the help of innovative accounting practice and keep it for themselves. Thus, the owners of the U.S. Federal Reserve exploit the U.S. and the whole world. That is how they became the wealthiest and most powerful men in the world.

The Federal Reserve Banks were created as a solution that should provide a stable economic policy to the country but this did not happen because the interests of their owners were different. In 1929, the owners of the Federal Reserve created a very expansive monetary policy with affordable loans. When a huge number of Americans become indebted they suddenly made the monetary policy very restrictive. They withdrew money from circulation and thus, they reduced the trade of goods. The people who had taken out loans could not earn enough money to repay their debts to banks and what followed was a massive bankruptcy of companies in which the bankers took ownership. The escape from the crisis was found in public work, funded by the Federal Reserve. The fresh money pulled the U.S. out of the crisis. And so, America was brought out of the crisis by the same people who put them in it. The majority ownership of the bank is in the hands of the richest men in the world. On top of them is the Rothschild family.

The U.S. cannot repay their debt to the Federal Reserve Banks. They are paying it by re-borrowing from the Federal Reserve with new interest. Just for the purpose of returning U.S. debt and covering the budget deficit, the Federal Reserve Banks may issue about a trillion dollars yearly. If we add the money which was needed to rescue the U.S. private banks in 2008, the Federal Reserve Banks may have produced about two trillion dollars a year. Thus, the U.S. became the most indebted country in the world. The money produced to cover budget deficits in the US is made out of nothing and brings huge profits to the owners of the bank. Thus the owners of the Federal Reserve are the richest people in the world. U.S. inflation is not high because the U.S. dollar is the world's currency and therefore the whole world supports the strength of the U.S. dollar. But it is nothing but another form of exploitation around the world.

The U.S. Federal Reserve is the main shareholder of the World Bank and the International Monetary Fund. The Rothschild family has a major impact on policy formation in Western European countries. That gives the Rothschild family a majority decision making power in the IMF and World Bank. In this way they are able to impose economic policy worldwide. The monetary policy the Rothschild family usually imposes to the world through the World Bank and IMF is generally restrictive. With such a policy, countries cannot earn enough money to pay back loans. These countries have to

borrow more money in order to pay debt and must follow the policy imposed by the Rothschild family. So the whole world, with the exception of Russia and China, which still successfully resist, has become a colony of the Rothschild family.

People do not have an influence on the formation of economic policy anywhere and it is probably the biggest problem of today's economic policy in the world.

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Finally let's conclude that the market regulation of the quantity of money in circulation does not create a sufficiently stable economic policy. Cyclical oscillations in market trends emerge with unstable prices, productivity and earnings, which is unfavourable both for the economy and society. A stable economic policy requires a balanced distribution of work and work products, a known purchasing power of the population and known needs of the society, as well as an efficient economy to meet such needs. A free market economy is not able to achieve such conditions. A fully balanced economic policy could only be conducted by a developed planned economy and this is the reason why it will have to be in place in the future. The future will unavoidably require the creation of an adequate amount of money in circulation and its democratic distribution. The monetary policy in such a system will be based on social ownership of money and on a direct democratic direction of joined money assets.

## **Money in the Commune**

The most suitable situation for any economy would be to have in circulation the quantity of money precisely identical to the value of produced commodities. In an ideal case in which the economy produces precisely what the society needs, such a quantity of money in circulation enables purchasing of all produced commodities and economic stability.

Consumers hold a large amount of money. It is significantly larger than the value of the whole current production, and significantly smaller than the total value of everything the society possesses, because such values were generated by the turnover of the same money. A part of money is turned over for current production related payment transactions purposes, and a large amount of money is accumulated in citizens' holdings as a reserve fund. This money is invested in new businesses or preserves and thus provides economic security to individuals and society as a whole. The big problem for the economy lies in the fact that privately accumulated money is placed in a hardly predictable direction and that creates problems of production planning. It is necessary to bring more order to the economic policies of the commune by the process of planning production.

The commune does not issue money, but it can acquire it by redeeming accumulated money held by the population. It does so by means of past labour points. A larger

quantity of past labour points of workers results in greater income, and in this way money holders may find it in their interest to sell money for points. By selling money, the population of the commune loses the possibility to lend with interest, but realizes a rise of income proportionate to the increase in the quantity of past labour points.

In the new system, the society as a whole materially secures each individual. Therefore, individual money accumulation as a form of security is no longer necessary, and a significant voluntary sale of money for past labour points may be expected for this reason. The individual will no longer have to work and save in order to ensure their future, as is the case today. A smaller volume of individual savings of money will contribute to a greater stability of the economic system.

Each community should establish its own public bank. Redeemed money is pooled in a public bank commune. The commune will also pool the entire cash fund of the merged company of the commune, owned by the commune inhabitants. Money that belongs to people and private enterprises is not pooled in the public bank commune but the money collected from taxes of individuals and private enterprises is.

The commune will accumulate a large amount of money. This amount is significantly greater than the total value produced in the merged public company of the commune in the accounting period. A new form of economic policy will put into circulation of the commune an equivalent amount of money to the totally produced value of goods in the merged public company of the commune and collected taxes from private enterprises.

Now, I will simplify the analysis in order to be better understood. If there are no private companies in the commune, then the total amount of money put into circulation will be identical to the total value of produced goods in the merged public company commune. That would give people exactly the same purchasing power as the value of produced goods. By use of computer technology it is possible to calculate the full value of production and allocate the same amount of money into circulation. The increase in production will require a greater amount of money in circulation, which will increase purchasing power. Conversely, a reduction in productivity will reduce the quantity of money put in circulation in order to reduce the purchasing power of society.

However, if the amount of money is tied only to the produced value of goods then there would be the danger that the produced value is not sold on the market and workers realize incomes as the profit is made. Such production would create overstock in warehouses and spend money from the commune's reserves, while the commune would not go bankrupt. Because of it, the quantity of money in circulation should be created also on the basis of profit realized on the market. Therefore the commune will form the quantity of money in circulation also based on the selling of the produced value. With this regard, the quantity of money put into circulation should be formed between the total value produced in the merged public company of the commune and the profit realized on the market in the accounting period. The quantity of money put into circulation should be determined by the public bank of the commune. It should realize the optimal economic monetary policy and economic stability of the commune.

Such an amount of money we may call the revenue of the commune. The commune's revenue is less than the quantity of money that the commune possesses. A surplus of money will be used as working capital and reserve funds for the commune. The economy has to return working capital in the accounting period in order to be able to renew the production process.

When the amount of money required for the revenue of the commune is determined, the commune will then enable society to decide, through the democratic process, on the division of this money for individual consumption and money intended for collective consumption. The fund for individual consumption defines the total amount of money for incomes for all residents of the commune excluding workers in private enterprises because private enterprises keep their profits. The fund for the collective consumption defines the total amount of money intended for common spending of all people of the commune.

The commune's revenue will be distributed to the needs of individual and collective consumption through direct voting by all residents of the commune. In fact, the inhabitants of the commune will distribute the value of their past labour points for the needs of individual and collective consumption. In this way, each resident will have decision-making power in society in proportion to the possession of their past labour points. People with more valuable past work will have more power in the process of decision making.

If one wishes to allocate a larger amount of money for individual consumption (income) and a smaller amount of money for collective consumption (tax), they will divide their value of past labour points proportionally as they wish. The leadership of the commune, of course, should first define the minimum ratio of tax money so that the commune can meet its basic common consumption needs.

Each person will write a statement of their decision directly to the web application associated with the data processing center of the commune administration. The summarized statements of all the inhabitants of the commune for the purposes of individual and collective consumption will determine the ratio in which the revenue of the commune will be spent. Thus, society will directly create the income and tax policies of the commune.

The total amount of money for individual incomes (workers in private companies excluded) will be distributed to the population of the commune according to their merits. These merits will be primarily based on the realized productivity and the prices of work. This will be addressed in more detail in section: "the Distribution of Income".

Through the distribution of income, society needs to determine the minimum income of individuals which will regulate the range of incomes among the people. This will regulate the relationship among work merits, solidarity and income based interest of work. If workers were unwilling to perform undesirable work and thus reduce the productivity of

the commune, the people can reduce the minimum income of workers through direct voting. The result would stimulate workers to work more and thus achieve a higher productivity and greater share in the distribution of incomes. On the other hand, if the commune achieves a higher productivity than is required, then the society will increase the minimum income and thus reduce the income stimulation of work.

The system provides a single tax rate because it is simpler to calculate and in this way the people can simply determine it through direct democratic voting. Today's regulation of progressive taxation, which has the task of establishing social balance, will be replaced with the income policy of the commune which will later be explained more. Harmful forms of spending for health such as alcohol and tobacco may be more effectively reduced through the disalienation of society rather than through tax policy.

From the total amount of money earmarked by people for collective expenses which is in fact the income tax of all people, the commune leadership is first required to set aside money for federal spending. This money is used for the consumption of the state. The amount of money for federal spending is determined by the Federal Assembly through the delegates or representatives of all communes. The leadership of the commune also sets aside money from the common fund spending budget for the special needs of the merged public company of the commune. The allocation of funds for these purposes is generally performed identically as it is implemented in large corporations today.

From the rest of the money for the collective consumption, inhabitants of the commune will by their immediate will allocate funds for the economic development of the merged public commune company. The funds earmarked for economic development serve the expansion of the economy, for the purchase of new means of production or whole plants that enhance production.

I repeat this because it is very important: The amount of money intended for economic development is determined by the direct voting of the people within the possible values that determine the leadership of the commune. Every inhabitant of the commune will have voting rights in proportion to the amount of past labor points. Every inhabitant of the commune would by their sole discretion allocate a certain percentage of their own voting points towards economic development. The sum of the voting values of all the people of the commune will determine the amount of money intended for the development of the economy of the commune. Taking into account that the amount of money is limited, the greater the amount of money allocated towards the development of production, the less is intended for collective consumption, and vice versa.

A larger amount of money intended for economic development will increasingly engage social work in economic development which would increase the quality of means of production and thus productivity. Greater investments in economic development will provide greater social benefits in the future, but this would reduce the funds for current consumption and therefore reduce current individual and social standards. Such a system would allow any commune to be developed by relying on its own power.

The remaining money from the funds intended for collective consumption will be used for the common satisfaction of all material needs of society. Funds for collective commodity consumption are used for all that the society, as a community, need for their own living standards. It is used to maintain existing facilities of social standards and for new construction. That spending covers all the needs of society from collective meals up to the construction of roads, houses, sports and cultural facilities. It involves the financing of commodity consumption in public health, education, security, construction and maintenance of infrastructure, etc.

The funds for collective consumption can be allocated to a certain extent directly by the decisions of the people, and subsequent partial distribution may be made directly by interested members of the affiliated societies, while the final distribution of the smallest segments of the consumer needs the leadership would exercise and for that it shall be directly responsible to society. Increased funding for joint consumption would allow a higher common standard at the expense of other forms of consumption.

It is important to note that the democratic distribution of joint money will direct the macro economy and that means that the macroeconomic policy will for the first time be directly in the hands of society. In this way, a collective accumulation of money allows for the formation of a democratic economic policy of the commune. It will include income, tax, developmental, and other economic policies. In this way the policy will most effectively follow the needs of society.

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The new voting system will be based on unlimited validity of the voters' votes until each voter themselves changes their vote. Also the new system will for the first time enable the people to vote whenever they want. They will be able to change their voting statements many times per day to they want it and the system will not have any problem processing such changes.

The population will on the basis of its own experience see the advantages and disadvantages of a certain form of monetary distribution and will make corrections according to its own will whenever it wishes to do so. In this way, all individuals and the society in general will realize greater conveniences, and the society will accept the economic policy as its own, which is one of the most important elements of disalienation of the economic activity system, and of the society as well.

The proposed system will allow the population of the commune to determine to a significant extent the collective economic needs. Identified collective economic needs define the macro consumption and thereby determine the production as well. In this manner the commune's population will in a direct and democratic way create the macro-economic policy of the commune. This will be an introduction to the creation of a markedly stable democratic planned economy.

### 3.1.2.5 Working Cash Assets

In the new socio-economic system, the enterprises in a shareholding-social or humanistic form of ownership of the means of production will have collective monetary assets. Enterprises in private ownership may keep, according to their own will, their own status and, accordingly, their cash assets and resume business activity autonomously under the principle of the capitalistic market based form of doing business.

The commune owns, as a general rule, an amount of money significantly larger than needed for the consumption of the population and development of the profit economy in the accounting period. The surplus of cash assets represents the monetary accumulation of the commune. The commune has to keep a certain money reserve to cover potential investment disruptions; damages caused by natural or other disasters. The commune insures itself by such money assets. The rest of the money will be used as working cash assets for public companies of the commune. Private companies will continue to use private sources for financing production.

Working cash assets are accumulated assets of the past labour of producers, and serve as a means of payment in trading with other producers for their products, semi-finished products, intermediates and raw materials processed by the profit economy in its production process.

The commune may allot the non-interest bearing working cash assets to the profit economy in the shareholding-social or humanistic form of ownership of the means of production, provided the economy repays the borrowed money in the accounting period. In fact, this will be nothing new. The commune becomes something like a corporation, and big capitalistic enterprises do not charge themselves for their working capital. The society itself would not have any interest in charging the borrowings.

Non-interest allotment of credits is convenient as it does not make the production more expensive and simplifies the calculation of price of commodities. If the commune provides non-interest bearing loans to the production the economy is able to postpone the collection for its goods by non-interest bearing credits in accordance with its possibilities and needs of the society. When the commune allots non-interest bearing credits, individual creditors could no longer earn by lending the money, and in this way the interest would be abolished as a form of rent. It is worth noting that in the new system interest will not be abolished in a coercive way. It will still be in place for a while, but the society will create such a credit policy conditions that will discourage interest from lent money.

In the western world, interest rates are already very low because only a small raise in interest rates can lead to a chain of bankruptcies that would destroy the western economy. On the other hand, a small reduction of the interest rate would virtually

abolish the interest rate and profits on borrowed money. Slightly lowering the interest is in fact the end of capitalism.

By the disappearance of interest, banks would lose their basic function of earning rent on the basis of accumulated money. They would no longer be profitable enterprises, but could perform in the community the function of individual and social bookkeeping of the commodity-monetary transactions. Aided by computer technology, banks may keep records of the state of property of the population, records of earnings and expenditures of the population, and of those pertaining to the commune's economy.

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In the classical economic system, consumers without cash borrow money to purchase commodities. Monetary loans burden the price of commodities with the interest rate determined by the market. Beside that the longer the repayment term of a loan, the higher the interest rate and, therefore, it is in the interest of the consumer to repay the loan as early as possible.

By introducing a system on non-interest bearing loans it will be necessary to set up a new system of monetary distribution that will in trading and financial terms be as efficient as the classical interest bearing lending. Since the quantity of working capital is large, but also limited, it may happen that such capital will not be sufficient to cover the needs of all beneficiaries. In this regard, the working capital needs to be distributed among the beneficiaries in the function of turnover time, which may be presented by the following formula:

$$\text{C-of working capital} = \frac{360}{\text{Money Repayment Time}}$$

The working capital beneficiary who repays the borrowed money in a shorter time will realize a larger C-of working capital. All larger working capital coefficients will ensure non-interest bearing credit financing by the commune, irrespective of the quantity of the assets claimed, as long as the working capital fund shall have become exhausted.

The system predicts a higher attraction of money to the economy that envisages a shorter time of turnover of commodities. This is understandable, because the money repayment is faster and may be again used for lending. The production that, in a period of a one-month payment accounting, finds a ready market will by the described distribution system be able to use an unlimited quantity of cash assets, as it will be practically repaying the same promptly.

The economy, collectively owned by the commune's population uses the commune's working cash assets according to its needs, and is bound to repay the borrowed amount of money within the accounting period. The economy can repay the working cash assets provided if gets paid for the produced goods or, to say it more precisely, if it produces the commodities the society needs. In the case that producers fail to sell

produced commodities they will not realize a sufficient profit. If the profit is, nevertheless, higher than the quantity of working capital spent, enterprises will still be deemed to operate relatively positively as they are able to repay the working cash assets. The lesser-realized profit in the accounting period will reduce the income of workers.

If the realized profit falls below the amount of used working cash assets, the enterprise then registers a loss in working cash assets. Toleration of such a situation would lead to the reduction in the amount of cash assets in the commune's money fund, and producers would have difficulties to renew production. It goes without saying that no economic system can tolerate financial indiscipline and so neither can the commune can. Therefore, the commune introduces the system of measures for bearing responsibility. In the new system all workers are accountable for the loss of money and compensate such losses collectively by means of past labour points.

The production intended for an unknown consumer needs not be placed immediately on the market. In that case, the turnover of commodities may last longer than the one-month accounting period, and the enterprise may realize less profit than the working capital amount spent in the accounting period. However, as each enterprise operates on a continued basis, it may realize, on the basis of the collection for the goods produced in an earlier past period of production, the necessary profit and ensure the repayment of working capital.

The responsibility of workers needs to be taken independently of cyclic monthly oscillations of profits. If regulation of the responsibility for different realized profits were required on the basis of the monthly accounting of an enterprise, unnecessary and inconvenient oscillations in rewards to and in sanctions of workers would take place according to current the solvency of the enterprise. Distribution and taking past labour points should be performed once in a yearly accounting period.

Over the one-year period each enterprise takes the working capital as many times as it needs it, and repays it after realizing profit on the market. If such an enterprise fails to repay within one year the entire working capital, then the difference between the borrowed and repaid assets shall be subtracted from the holding of past labour points of all workers, proportionately to the coefficient of responsibility. In the case of losses of an enterprise, a higher coefficient of responsibility of workers brings a larger loss of past labour points and a lower income. And vice-versa, a lower coefficient of workers' responsibility, in the case of cash losses of the enterprise, brings along a smaller loss of the quantity of past labour points, and a smaller decline in the level of income. The initiator of the wrong decision to borrow will be additionally sanctioned by bad evaluations given by workers and special commissions. In this way, borrowing entails a great responsibility of the whole collective, which is a precondition for productive production. The technique of adding and taking income based points is presented in detail in the chapter: "The Development of Economy".

Each loss in the economy reduces the amount of money in the working capital fund of the commune. It may be assumed, however, that in the system that efficiently conducts the responsibility in business operation the losses will be small and the commune will renew them by the purchase of new money by way of past labour points and by the increase of profits in the productive companies of commune.

Non-realization of the envisaged profit due to natural catastrophes such as earthquakes, floods and fires, need not be deemed as losses in the economy. Such losses would be covered by the commune's reserve money fund.

Naturally, the quantity of working assets in the commune's reserve fund is always limited and it may happen that some producers do not get the necessary working cash assets. It is impossible for the economy to produce without working cash assets, and plants would need to be closed down. The commune envisages for such cases a reserve source from which working capital assets will be allocated. Such a reserve source is the fund intended for the development of the economy. If some enterprises even in such cases do not manage to receive the needed working capital, they can seek it from existing banks, but of course with the market interest rate.

However taking into account that the working capital will become distributed without interest, the holders of accumulated money will no longer be able to take loan commission. Holders of accumulated money will in this way be interested in having their money exchanged for past labour points. In this way, the commune will realize more cash assets for non-interest bearing lending to the economy and consumers.

It is worth saying in the end that irrespective of the extent to which the economy will be associated, the market economy will never be insensitive to oscillations in trends. By tightening the requirements concerning risk-bearing that will result from the work competition, the failures of producers may be markedly inconvenient. In this regard, producers will have to seek a higher degree of certainty in doing business and find it in the production for the known consumers.

Associated producers will question the consumers about their needs and will gradually organize the production in line with the orders to be received. When the consumption is known in advance, the economy can successfully organize its activity, and the work competition will allow the most successful realization. Such an economy would generate conveniences to the society; however, it has to be noted that it would be a decreasingly market and increasingly planned economy.

### 3.1.2.5 Development of the Economy

Accumulation of money intended for the profit economy ensures cash assets for the development of the profit economy.

In capitalism, the amount of money intended for investments depends on the entrepreneurial skill of owners of the means of production. The money is created by appropriations from the realized profit of the enterprise. Larger appropriations of cash assets from income allow creation of a larger amount of cash assets for the development of the profit economy, but reduce the consumption of producers. And vice-versa, smaller appropriations of cash assets intended for development develop the profit economy to a lesser extent, which allows a larger consumption and, accordingly, a higher standard of producers.

In the capitalistic form of production, the competition of producers on the market requires permanent investments in the development of the profit economy. Investment in the profit economy augments the production, the product quality, and reduces the product price, which altogether brings conveniences to the society. On the other hand, a large production creates saturation that results in the lowering of demands and enterprise profits. An enterprise in private ownership that does not realize profit has no business value. The fall in the profit results in dismissal of workers, closing of companies, social and economic problems. Therefore, private entrepreneurship is by its own survival forced to permanently search for new flows of consumption and enrich them by new products. In this respect, it makes an aggressive propaganda that creates the consumerist mentality. As in any system one may sooner or later expect stagnation or fall in interest, private entrepreneurship is thus doomed to withdraw in favour of a system that will in a more appropriate fashion follow the social needs.

Society has tried to resolve the problems of private entrepreneurship by social ownership of the means of production, which may remove numerous difficulties of the capitalist form of production. The socialist revolution removes capitalistic exploitation and brings a social policy that ensures employment, education, health-care insurance and other conveniences so that, at first, the people are highly enthusiastic and believe in a better future. At the very outset, almost all work is intended for the development of the society, and the results are often spectacular in the societies destructed by exploitation. However, over time, enthusiasm falls as a general rule, and the egoistic interests of individuals gets stronger and stronger. Then the workers with the right to decision-making in the process of production, as was the case in the Yugoslav self-management, no longer accept social ownership as their own and, therefore, tried to ensure a higher income on account of the accumulation of the economy. Such a business operation is irresponsible vis-à-vis one's own future. Consequently, such an economy is considerably less efficient than private entrepreneurship.

A centralized socio-economic system as the one in the former USSR plans in one single centre the production of the entire economic system. The plan may fully define the quantity of work intended for the consumption of the society and for the development of the economy. Such a system may for the first time define the development strategy of the society as a whole, which at a certain level of development of the relations in production can ensure a high increase of productivity in the economy.

However, the great deficiency of the system lies in the fact that the tailoring of the business activity planning is left to the centers of power and is as such alienated from workers. The workers, not having any influence on the creation of economic policy cannot accept it as theirs and, consequently, cannot sufficiently advocate its implementation. The centralized system of establishing the development policy of business activity creates a more or less successful macro-economic policy of the social system, while it is fully unable to meet the abundance of everyday necessities of the society due to the volume of decisions. Since the centrally planned economy does not allow free entrepreneurship, as it can easily endanger the stability of such form of production, a large quantum of needs remains unsatisfied in society. Such an economic system has no perspective and may only survive as a closed, autocratic economic whole.

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In the new economic system, enterprises are in a shareholding-social or humanistic ownership of the means of production. The ratio of cash accumulation of the profit economy and cash assets intended for consumption are determined by direct voting of all inhabitants of the commune in the function of individual voting powers within the possible range of values set by the commune's leaders.

If a certain inhabitant of the commune wishes that the commune's profit economy develops to a larger extent, they will then state a larger amount of money intended for the profit economy. As the total quantity of money is limited, they will have to state a smaller quantity of money intended for the consumption of the commune's inhabitants. And vice versa, an inhabitant wishing a larger consumption will state a larger quantity of money intended for consumption and a smaller amount for development the economy. The statements of all inhabitants in function of their shareholding-social or humanistic power entered into the internet application of the center for data processing, sum up and form the amount of money intended for consumption and for the development of economy.

Then, from the commune's revenue is appropriated the amount of money intended for the development of the profit economy, proportionately to the voted statements of all inhabitants. If inhabitants will generally tend to a larger development of the profit economy, then a larger quantity of cash assets intended for the accumulation of the profit economy in relation to consumption will be appropriated, which would speed up the economic development and reduce the income of the population and, consequently, the standard of living. Such an economic policy enables each commune, irrespective of

the degree of economic development, to accumulate money for the development of its profit economy by relying on its own forces. When the profit economy develops to a point where it will be able to ensure an expansive production, the need of the society to invest in the development will diminish. In this way, the amount of money intended for consumption would increase, as would the standard in living of the society.

Perhaps, the most important value of such a form of distribution is that the money is earmarked in a democratic way, which means that the society as a whole plans its own development. Such a form of monetary distribution will provide direction to the commune's developmental policy. In such a manner, the profit economy understands the limits of such direction and can efficiently prepare and plan its own development. Moreover, in the process of production alienation will be surmounted as a consequence of authoritative decision-making in the society.

Cash assets intended for profit economic development serve for economic investments by which enterprises acquire new machinery, industrial installations and working capital helping them to achieve a higher productivity.

Enterprise managers demand assets intended for economic development on the basis of the development programs of their respective enterprises. The program of enterprise development contains a defined quantity of needed cash assets, the methods of the earmarking or of fitting into the existing economic structure, envisaged growth of productivity or cash profit, and the time of implementation.

When the amount of money necessary for economic development is formed, it will be then distributed to those enterprises in the commune that individually, within their free activity, envisage realization of the highest profit within the shortest time interval possible and require the smallest amount of cash assets. The money may be distributed to enterprises according to the C-of development, pursuant to the following formula:

$$\text{C-of development} = \frac{\text{Envisaged Cash Profit}}{(\text{Needed Cash Assets}) \times (\text{Time of Implementation})}$$

It is clear from the formula that a larger profit realized with a smaller amount of needed cash assets and in a shorter time of implementation results in a higher C-of development. A higher C-of development will ensure to enterprises the cash assets intended for the development of the profit economy. Distribution is performed by computer processing in the way that the largest C-of development is ensured the needed cash assets, followed by the next C-of development, in terms of magnitude, and so on, until all assets shall have been distributed. In this way, the enterprises which propose the largest profit will receive cash assets intended for the development of the profit economy ensuring thereby the greatest conveniences to the society.

Cash assets are limited so that they cannot be allocated to enterprises that achieve a smaller than necessary C-of development. Such enterprises must wait for other

opportunities, or have to increase the envisaged profit with a smaller amount of needed cash assets and a shorter time of implementation.

As cash assets intended for economic development get renewed in each accounting period from the commune's total cash profit, they are allocated as grants. The commune will become a kind of Humanist Corporation and corporations even in capitalism do not charge themselves for investments. It suffices that enterprises realize the envisaged profit and that in this way the assets intended for economic development find their social justification.

Needless to say, the system would have no sense without an exactly established responsibility of workers for using the collective monetary assets. Before a competition takes place for the allocation of the cash assets intended for the development of the profit economy, the managers disclose their own responsibility for the implementation of the program expressed with the C-of responsibility. A higher C-of responsibility may give to workers; *inter alia*, a greater confidence in the management's plan.

On the basis of the insight enabled by the management, or on the basis of the confidence in their management, workers accept, according to their own estimate, a degree of responsibility by stating their own C-of responsibility. Such a C-of responsibility is in force from the date of hire or from the date of last increase of C-of responsibility until the expiry of the time needed for realization of the envisaged production. The workers during such period cannot change their C-of responsibility. However, they can be released from the work responsibility but only if another worker takes their work post together with the responsibilities. A higher C-of responsibility brings greater competitive power for a determined work post and a larger share in the distribution of incomes in the case of rising productivity, while in the case of failure, the investment also brings larger losses in the distribution of incomes.

Assets intended for the development of the profit economy augment the productivity of the profit economy and, accordingly, the value of newly manufactured goods, which require an increase of money in circulation. The larger amount of money in circulation increases the income of the commune and in this way the inhabitants acquire a stronger purchasing power for the newly produced commodities. The growth of money in circulation augments the quantity of past labour points of workers. The new amount of past labour points needs to be distributed among enterprise workers and inhabitants, proportionately to their responsibility for the contribution to the production of the newly emerged value.

Economic enterprises measure productivity by cash profit on the market. After the expiry of the established implementation period, accounting of the success in operation is made. If an enterprise registers a rise in cash profit, such profit is then treated as a lasting work improvement that on a lasting basis brings a higher income. In this way, the workers of the enterprise acquire conditions for getting a certain quantity of past labour points. Then the difference between the envisaged and realized company's gain profit is

shown as a profit. In such cases, the workers' quantity of past labour points will be distributed by the magnitude of the net profit incurred in their company.

However, if some enterprises in the commune fail to realize the envisaged profit with the money intended for development within the envisaged time period, then the difference between the envisaged and realized gains profit is shown as a loss. In such cases, the workers' quantity of past labour points will be deducted by the magnitude of the net loss incurred in their company.

When the total net quantity of past labour points, which is added to or deducted from all workers together in an enterprise is known, then with the help of computer technology the rewards or sanctions against each worker are easily calculated by the following formula:

$$\text{Worker-1 : Worker-2 : Worker-3 : ... : Worker-n} = \text{C-of respons.-1 : C-respons.-2 : C-respons.-3 : ... : C-respons.- n}$$

And the result is easily achievable in the form of:

$$\begin{aligned} \text{Worker-1} &= +/- \text{ Quantity of points-1} \\ \text{Worker-2} &= +/- \text{ Quantity of points-2} \\ \text{Worker-3} &= +/- \text{ Quantity of points-3} \\ &\dots\dots\dots \\ \text{Worker-n} &= +/- \text{ Quantity of points-n} \end{aligned}$$

The productivity of the commune is realized by profit economic and non-profit activities, and in the system of work competition both are equally significant. The profit economy directly realizes cash profit on the market, while non-profit activities do not. Work products of non-profit activities are free of charge for the population. Such a group may include administration bodies, public protection, education, health-care, and similar activities. Labour productivity of non-profit activities is expressed by success evaluation, given directly by specialized arbitration commissions and by the population.

Non-profit organizations also demand money assets for their development but it comes from the collective consumption fund. Evaluation of the success of non-profit companies enterprises may have a scale of values equivalent to the monetary profit of the economy, so that each improvement in the work production of non-profit activities would increase their success index, and vice-versa. The workers in non-profit companies also

need to be entitled to an increase in the quantity of past labour points in the case of the rise of productivity that is set aside from the profit of enterprises in the profit economy.

The quantity of income points allocated to the non-profit economy is determined by comparing the realized productivities in the profit economy and non-profit economy. By using the coefficients, it is possible to mathematically compare the profit of economy and development of non-profit economy and to form a balance of awards and punishments for all conveniences and inconveniences coming from work in profit and non-profit activities. In the system of work competition such comparison will be necessarily objective, as each disproportion would result in the spill-over of work to where the work conditions would be more convenient, which would be in nobody's interest.

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Private entrepreneurs perform independently the same way as the merged public company of the commune. Private entrepreneurs are accountable for their business operation with their own capital. The workers employed with private entrepreneurs are accountable for their work directly to the private entrepreneur. Private entrepreneurship does not allocate any money for the development of the economy of the commune, so it cannot use these cash assets. Private entrepreneurship has to accumulate the money by itself, or borrow it from banks in the form of interest-bearing loans.

Taking into account that the profit economy where the means of production are in collective ownership will, thanks to the work competition bringing the most productive work, be at least equal or more productive than private entrepreneurship, it may be expected that autonomous private entrepreneurship will lose the competitive productive struggle against the shareholding-social entrepreneurship. Moreover, the development of the new form of business activity will also entail the rise of the productive consciousness of workers. They will in this way be willing to make decisions by themselves and bear responsibility for such decisions. As in the shareholding-social or humanistic form of ownership of the means of production, the workers have a significantly larger number of rights and freedoms, it may be expected that private entrepreneurs will lose the labour force.

Private entrepreneurs will then be forced to surrender their own enterprises to the commune in exchange for the equivalent amount of past labour points. A larger quantity of past labour points brings a higher income, more possibilities in choosing work posts and, generally, a greater productive power recognition in the society.

The application of the coefficient of responsibility in the new system represents a favorable substitute for stock-exchange speculations of the capitalistic form of economic activity. Possible gains or losses of past labour points, which are an equivalent for shares, are tied to the successfulness of future productivity assessment. Such a system puts workers in a more equal position, diminishes alienation in the process of

production, while collective responsibility contributes to a greater prosperity in doing business.

Democratic planning and management of the economy, full employment and work competition, the resolved issue of workers' accountability, and a distribution of means of consumption according to the values of work will definitely remove the deficiencies of the socialist and capitalistic forms of business activity. In this way the means of production in a shareholding-social or humanistic form of ownership open up the possibility for the prosperity of the economy.

### 3.1.2.7. Income Distribution

The commune provides all its residents with incomes as a measure of their guarantee of existence. All residents of the commune are involved in the system of income distribution with the exception of workers in private companies because they retain the realized profit. Private companies pay taxes like they do today. These taxes belong to the people of the commune. They are used, among other things, for the salaries of all the inhabitants of the commune.

Distribution of joint operating results represents a problem in all forms of relations in production, as each worker aspires for a larger share in the distribution of a collectively produced commodity. In authoritative systems of economic operation the manager regulates the distribution. The manager is an authority who in the broadest sense assesses the work burden of the work posts and determines, on the grounds of established productivity, the level of workers' incomes. The manager is privileged by their status and easily makes decisions to their own favour and to the detriment of the workers. Unjust differences in the distribution of operating results always create tensions in the process of production, which are harmful for the production and bring inconveniences to the society.

In the proposed system where the means of production are in the communal shareholding-social, or humanistic form of ownership, distribution of collective operating results is performed by distribution of income. The level of income of each worker is based on the price of work and realized productivity. The level of income can be determined by a coefficient with the following formula:

$$\mathbf{C\text{-}Income = (Work\ price) \times C\text{-}income\_W \times C\text{-}income\_E \times C\text{-}income\_C}$$

$$\mathbf{Work\ price = (Value\ of\ past\ labour) \times (Value\ of\ current\ labour)}$$

The work price is determined by the product of past labour or quantity of past labour points of a worker, and the price of current work. The quantity of points that each worker holds is equal to the value of their past labour together with the value of past labour of their predecessors. The quantity of past labour points is the specific condition of the system where the worker with a higher value of past labour realizes a proportionately higher income, irrespective of what work they are performing. Past labour points present a humanistic form of shares that will bring profit based on the value of past work. Such a profit may be large but it will not be a burden to companies because it will be distributed on the level of the commune as it was already explained in the chapter "Commodity price".

Each worker autonomously determines the price of current labour by comparing the work conveniences and inconveniences with other forms of work. They ensure the objectivity in valuing the current work price by the work competition where the right to work is exercised by the worker who in the circumstances of equal productivity asks for a lower current work price.

In the new system, all inhabitants realize the safety of their survival by income and it is, therefore, necessary to also set the current work price of unemployed inhabitants. Since unemployed inhabitants of the commune do not directly perform any profit economic or non-profit activity, they cannot autonomously set the prices of their current work. Such price will be determined by the leadership of the commune with the consent of the assembly or council of the commune, according to the commune's working needs and possibilities, or in the manner that will enable balance between the supply of and demand for the work in the commune. If the commune's inhabitants would not be sufficiently interested in work, the leadership would reduce the price of current work of the unemployed population. This would result in their lower income, which would on its part increase interest in work of the inhabitants. Conversely, if the interest in work by workers was excessive, the leadership may increase the current work price of the unemployed, and the workers' interest in work based on income would go down. The leadership may give a higher price of current work to pupils and students, which would stimulate education. The price of current work of invalids and of elderly people is regulated by the commune's social policy. The people in this commune will not need a pension plan as retirement insurance any longer because the new system provides the individual with an income regardless of whether they work or not. Besides, the individual will be able to work as long as they wish or can without limit of their age.

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Finally, the level of income of each worker depends on the C-of income. The C-of income of each worker depends on the proportion of realized and envisaged productivity of workers, enterprises and the whole commune in the function of workers' accountability for the realized productivity. C-of income of a worker can be presented by the following formula:

$$\text{C-income}_W = \frac{\text{Realized Productivity of Worker}}{\text{Necessary Productivity of Worker}} (\text{f-of Accountability})$$

C-income-W establishes the relation of the realized and envisaged productivity of workers in the function of workers' accountability.

Productivity is expressed in any accepted work magnitudes that indicates the number and quality of products in profit economic enterprises, and of services in non-profit work

organizations. Where productivity cannot be exactly established by the quantity and quality of products or services, it can be established by assessing the labour productivity. The system of assessment will be designed in a manner that will allow that the range of assessments indicate work productivity in the same way as in the case of exact establishment of the quantity of produced commodities.

The mutual assessment of inhabitants brings each inhabitant an equal power of decision-making, which introduces a new form of anarchic-democratic behaviour in the society. Each individual, thanks to equal assessing power, may become both a prosecutor and the accused without the right to complaint. The impact of individual assessment on the income of the population cannot be great. Quite to the contrary, it will be little, because the accused will not have the right to defend; however, it will be sufficiently strong to form respect of the individual for the individual. Such respect will pave the way for major conveniences in the society. The system of assessment will force the individual to diminish their own shortcomings and augment their virtues in their behaviour toward the society in the broadest sense.

If the realized productivity becomes equal to the necessary productivity, then the C-income-W = 1. In that case, the realized income will correspond to the envisaged income. If the realized productivity is higher or lower than the one needed, the income of the worker will be higher or lower than the envisaged.

Finally, the level of the C-income-W is determined by the C-of responsibility of a worker determined by the worker themselves. It is easy to mathematically determine that for a small C-of responsibility, the worker gets their required income irrespective of the envisaged and realized productivity. With the rise in the C-of responsibility, income will increase more intensively in the case of the rise in productivity, and income will more intensively decline in the case of a fall in productivity. Naturally, a higher C-of responsibility gives a stronger competitive power to workers for performing any work.

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Workers also bear responsibility for the productivity of an enterprise. The enterprise productivity may be shown in the same way as the productivity of a worker. The formula may have the following form:

$$\text{C-income}_E = \frac{\text{Realized Enterprise Productivity}}{\text{Needed Enterprise Productivity}} (\text{f-of responsibility})$$

C-income\_E establishes the relation of the realized and envisaged enterprise productivity in the function of worker's responsibility.

The productivity of profit economic enterprises is shown by the realized monetary profit on the market. Monetary profit represents the most efficient way for assessing productivity, or more precisely, the values of the operating results in the present-day society.

Workers realize the envisaged income in the case of the realization of the envisaged productivity or, to say it differently, if they sell the entire current production on the market. Of course, that would require a high speed in assets turnover or practically, pull production for known customers.

As it is difficult to sell the produced commodities in whole during the accounting period, a certain portion of such commodities will be sold in another accounting period and will thus realize its profit in another accounting period. Such enterprises would in the current accounting period realize a profit smaller than necessary and, consequently, their income would need to be lower. However, it may be assumed that the commodities remaining from the past labour period are sold in the current accounting period and generate profit in the current period.

If the profit an enterprise realizes on the market is equal to the envisaged monetary profit on the market, then the  $C\text{-income}_E$  will be equal to 1 (one), and the enterprise's realized income will be identical to the envisaged income. If the formula establishes a  $C\text{-income}_E$  larger or smaller than 1 (one), then the enterprise's income will be proportionately larger or smaller than the envisaged one.

The system of work competition on the labour market ensures an even distribution of employment benefits and disadvantages in each company. But if one company has a significantly better means of production than another company, employees in the better equipped company may also in new system achieve a much higher income than workers in the company that has outdated technology. In this case, workers would be more interested to work in better-equipped companies. The leadership of the commune will organize production in enterprises of the commune in the way that an equal value of work based on productivity and past labour points achieves equal income. In this matter, managers may improve technology in companies that have redundant equipment or may overflow the incomes between companies in order to ensure a uniform income interest of workers in all workplaces.

It is further possible to regulate with the coefficient of productivity other forms of success of production, which cannot be presented by cash profit on the market, and which would regulate: the protection of the environment against pollution, the deviation from all standards of the quality of goods, etc.

Most states already have regulations that determine the standards for various kinds of products and production processes, but now it will be necessary for such regulations to get involved with the new communal system. Special commissions will accept the standards of the state, analyze possible declines from such standards, and propose the intensity of influences of such declines to  $C\text{-income}_E$ . It will be especially important to

take into account all criterions for protecting the individual and their environment from pollution. In the end this regulation will need to be accepted by commune's assembly or council. On the basis of such standards the consumers of commodities, consumer associations, professional institutions, specialized arbitration commissions at the level of the commune or of the federation of communes, or international arbitrations will give their own evaluations in regard to the quality of work of profit economic enterprises.

It is noteworthy that the system does not envisage a bureaucratic evaluation of all producers, because an enormous bureaucratic administrative apparatus would be formed in that way. The system envisages a customer's free evaluation of those enterprises whose products deviate either positively or negatively from the determined standards. The system also provides the evaluation on the basis of the analysis made by expert services of randomly selected or reported enterprises. The enterprises that do not get any assessment will be treated as they operate within the envisaged productivity and adopted economic operation standards.

Analogously to the profit realized on the market, the enterprises with the production of more socially acceptable products will receive a productivity assessment higher than 1 and will realize a higher total income. And vice versa, the socially unacceptable enterprises will realize an assessment lower than 1 and, consequently, a smaller income. Calculation of the realized productivity may be presented in an indefinite number of factors that will by mutual product in the end give the final value of the coefficient  $K\text{-Income}_E$ .

By using the coefficients, economic enterprises can efficiently bear responsibility with their income for the pollution of the environment or a bad quality of products. Enterprises polluting the environment or producing low-quality products will, dependent on the influence that such declines from the standards have, realize a lower income than they are supposed to receive according to the realized profit. Workers will also be additionally sanctioned by the loss of past labour points. In order to remove the shortcomings in their profit economic activity, such enterprises will have to compete for assets intended for the development of the economy in the function of non-profitable increase of productivity expressed by assessment.

Even though the developed countries in the world have developed significant improvement in the environmental protection of the world it is still not enough. It is hard to make a consensus for the enforcement of environmental protection on the international level because it costs a lot. Today, many regulations that determine the protection of people and their environments are still unenforced, thus, pollution is still rising. The new system will certainly and efficiently ensure clean rivers, air, healthy food, etc. Due to the quality of life the system offers to the society it may be accepted by all the communes around the world. Needless to say, this will enable a healthy planet Earth.

Generally, non-profit companies do not have presently a standard of work productivity, responsibility or of the value of their operating results. The group of such enterprises

includes education, health-care, administration and all other technical and service-rendering activities that do not realize income directly on the market, but are funded by the budget.

Non-profit companies need to be placed in business activity conditions equal to those prevailing for profit economic enterprises. The users of services, consumer associations and professional institutions assess their production. The assessment of the success of non-profit companies' performance may be shown by the coefficient as successfully as the presentation of the for profit enterprises' performance. The use of the coefficients enables precise comparisons of the success in the activity of for profit and non-profit companies, and to make rewards on that basis according to the values of realized work.

As in the associated labour, each work is non-separable from another work, each worker also bears responsibility for economic activity of their enterprise by stating their own C-of responsibility. A worker stating a higher coefficient of responsibility also assumes a greater responsibility for the enterprise's productivity, and will realize a higher income in the case of the enterprise's rise in productivity, and vice versa.

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All inhabitants of the commune are responsible for the productive orientation of the commune. The coefficient of the commune's realized productivity can be expressed by the following formula:

$$\text{C-income-C} = \frac{\text{Realized Commune's Productivity}}{\text{Necessary Commune's Productivity}} \quad (\text{f-of Responsibility})$$

C-income\_C establishes the relation of the realized and envisaged productivity of the commune in the function of responsibility of each individual worker.

This coefficient does not have a strong impact on the distribution of income within the commune. Differences occur only vis-à-vis the degree of responsibility that an individual worker assumes for their own and collective productivity. Establishment of the C-of realized productivity of the commune would be highly important in the association of the communes and in the distribution of income among the communes.

At the level of the commune, the productivity is expressed by the total realized cash profit of the economy. It is possible to expand the measure of the commune's productivity by a poly-functional system that evaluates quality of life such as pollution-non-pollution, literacy-illiteracy, legality-illegality in the acting of the population. By using C-income\_C is also possible to make subvention to less developed communes. That

would increase interest of workers to work in such communes. In the same manner, regulating even the birth rate of the population of commune will be possible. If the commune has too low or too high a birth rate, it may be adjusted by decreasing C-income\_C by an appropriate value.

The definition of such categories and their regulation will be the task for the state parliament. Defined categories of the coefficients of values would allow a more efficient implementation of social, economic, ecological, cultural, and all other policies of associated communes.

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The income of each worker in the associated labour or of the commune's inhabitants can be presented by the following formula:

$$\text{C-income} = (\text{Work price}) \times \text{C-income}_W \times \text{C-income}_E \times \text{C-income}_C$$

It clearly arises from the formula that C-of income of each worker depends on the envisaged work price and the coefficient of realized productivity at the level of the work post, enterprise and the commune, in the function of responsibility for the realized productivity. By applying computer technology, the level of income of all workers can be quickly calculated, regardless of the number of factors determining the income. It may be assumed that workers will be most responsible for their own work because oscillations in the enterprise productivity are smaller, while they are minimal at the level of the commune.

The above socio-economic system represents a shareholding-social, or more precisely, a humanistic form of ownership of the means of production; however, it also allows the production of independent private entrepreneurship. Private entrepreneurship understands an independent production where the means of production are in private ownership. Work posts in private entrepreneurship are owned by private entrepreneurs, and are not subject to work competition. The owner of an enterprise employs workers according to their needs and possibilities.

Upon realizing cash profit on the market, private entrepreneurs keep working cash assets according to their needs. They also keep cash assets for the upgrading and amortization of the production. They are bound to pay income tax, and property tax as is the case today. These cash assets are intended for the employed workers in the non-profit economy, unemployed workers, the commune's collective consumption, and the federal consumption. The tax level for independent private entrepreneurs will be identical to the taxes of the associated labour. The population of the commune will directly determine the level of appropriations. The owner of a private enterprise may

decide to autonomously determine the income level of their workers and pay them autonomously, or may integrate into the collective distribution of incomes of the commune's inhabitants.

If an independent private entrepreneurship uses in its work a production technology unknown to the public, and realizes through the use of such technology a cash profit higher than the associated labour with the shareholding-social or humanistic ownership of the means of production, it will realize a higher income. Such private entrepreneurship can survive and attract labour force in the new system as well.

However, the newly proposed economy will invest money in its development as much as it is needed. The system of work competition will develop the economy to such an extent that it will become more productive than independent private entrepreneurship. When independent private entrepreneurs realize incomes lower than enterprises in the collective ownership, the number of workers interested in employment with private entrepreneurs will drop. In addition, if we take into account the right of workers to freely choose the work they want, to make all decisions about their work, to choose their salaries, and to share the profits of the companies that the new system offers, the number of workers interested to work with private enterprises will be even lower. In short, the new system will out compete the private companies from the free market and take over their workers. It may be expected with high certainty that independent private entrepreneurs will surrender the ownership of the means of production to the society in exchange for an equivalent quantity of past labour points. A larger number of past labour points will ensure a higher income, a stronger competitive power in choosing work, and therefore a stronger power in the society.

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The money intended for incomes of all inhabitants is formed at the level of the commune's administrative centre from the revenue of the commune. The quantity of money is determined by direct voting of the population and is appropriated from the total amount of money intended for the turnover of commodities in the commune.

The obtained amount of money intended for incomes of the commune's population needs, in principle, to correspond with the envisaged quantity of money intended for the incomes of the population, because the system is based on the price of work corresponding to the income of workers. However, deviations are possible due to differently realized productivities. Therefore, there might be more or less money available for the overall income of all inhabitants in comparison with what the system originally anticipated.

Such deviations will be adjusted in the manner that the whole amount of money for incomes be distributed among workers proportionately to the defined C-income of workers. In this way, the shortage or surplus of money intended for incomes cannot exist. Bank loans will no longer be needed to cover a lack of money. The amount of

money intended for income will be distributed to people in proportion to their share in production and everyone will be convinced that the distribution of incomes is fair.

The technique of income distribution may take place from the commune's computer centre. Actual income can be established according to the extended proportion formula:

**Income-1 : Income-2 : Income-2 : ... : Income-n =**

**C-income<sub>1</sub> : C-income<sub>2</sub> : C-income<sub>3</sub> : ... : C-income<sub>n</sub>**

From the overall quantity of money envisaged for incomes and the shown extended proportion that may include millions of members, by using computer technology, the income of each worker can be quickly and precisely calculated in the form of:

**Income-1 = Value-1**

**Income-2 = Value-2**

**Income-3 = Value-3**

...

**Income-n = Value-n**

The obtained income shows the operating result value of each commune's inhabitant in a certain monetary amount.

Centralization of the income distribution systems allows the application of uniform distribution criteria according to the principle that equal incomes pertain to equal work. The profit that in the classical economy brings conveniences to the owners of the means of production is now, in a socially acceptable manner, distributed to all inhabitants of the commune. Exploitation is no longer in place.

No work is independent and, therefore, income arising from the collective operation result needs not be independently distributed. Income distribution by means of prolonged proportion and coefficients allows that the entire quantity of money intended for incomes in the commune is elastically distributed among the commune's workers and inhabitants, proportionate to with the price of the invested labour and the workers' responsibility for the realized production, without a surplus or deficit of money assets in the annual balance sheet.

Possible abrupt changes in the realized income of workers due to a high increase or strong decrease in productivity may be amortized by a mathematical function that will not allow a sudden rise or sudden fall of income, which would contribute to a more steady economic stability of the society.

The final say in income distribution has to be that of the commune's inhabitants by their direct statement of the minimum income level. The obtained mean value stated by all inhabitants in the function of their decision-making voting power would represent the guaranteed survival subsistence minimum that each worker or inhabitant of the commune receives in the accounting period regardless of the size of their share in the production, and the price of their work.

A lower minimal income of inhabitants would with the established income-related amount of money intended for all incomes create a larger range among incomes, which would increase work engagement and, accordingly, the productivity of the economy and social standard. The high standard and high productivity can result in saturated markets, which diminish the working needs. The population then could, by its own free will, increase the minimal income of the population, thus reducing the range among incomes, and the workers, due to the decreased income-related stimulation in the process of production would reduce their own work engagement to the point where the supply and demand of work would come into balance.

The corrections can be applied by the computer technology easily and rapidly, where the smallest C-of income would ensure a democratically established minimal income. Application of the extended proportion will proportionately increase or decrease the differences in the level of income, according to the needs of the society.

This requirement finalizes the complex approach to the establishment of income distribution of the commune's inhabitants excluding the workers in private enterprises who would keep their profits. The obtained value expresses the definite final income value and also the purchasing power of inhabitants in the commune. Incomes of workers may be presented to the public or kept secret depending on the wish of the people and every individual. Each inhabitant uses their own income according to their free wish.

### **3.1.2.8. Use of Real Property**

The individual needs real property in order to meet their existential needs, and also to accomplish more conveniences. The use of real property leads to great advantages, and that is why the individual ensures it by ownership. Ownership easily assumes the subjective features by which the individual attributes to themselves a power greater than the one they objectively have in nature. Such ownership then becomes alienated from its nature and alienates the individual from their nature. In an alienated society, in a society that develops possession, the ownership of real estate becomes a simple, efficient and recognized form of presenting the individual's power. In such a society, the individual becomes what they have. The alienated needs of people are insatiable, which results in merciless exploitation of natural resources that the planet Earth will not be able to stand for a long time. The limited natural resources increase the alienated value of the resources, which contributes to the fight for the exercise of the right to ownership of real estates.

Inhabitants who have not acquired an apartment or house in their ownership are forced to enter into a rent relationship with real property owners. They pay a rent according to the supply and demand market principle, which generates income to the real property owners. Although the market rent contributes to a rational construction and to a rational use of real estate, it is not socially acceptable because it glorifies alienated values and thus creates alienation in society.

The known alternative to private ownership of real property is social property. Social ownership would need to understand the equal right of all inhabitants to the use of real estate. However, the society has not gained knowledge to bring it into being. Besides that, the society has not found an acceptable way for socializing private ownership, and it used to take away real property from private owners. It is actually a seizure of the accumulated value of past labour of the real property owners and represents, as such, the injustice committed in the name of equality among inhabitants. Such injustice brings numerous inconveniences in the society.

Furthermore, it needs to be noted that the society has not managed to resolve the problems related to the distribution of apartments in social ownership. The administrative bureaucratic apparatus carries out real property building and use. As a general rule, candidates wait for years to acquire the right to use a flat. The bureaucratic structure is not able and skilled to monitor the changes in the housing needs of the tenants and even less so to meet such needs. The result of such social policy is the irrational distribution and disproportion in the distribution of real estate, which always results in privileges of some members of the society. Certainly, that develops alienation and antagonism in the society as well. It has to be noted that users of the housing facilities in social ownership are not owners and, therefore, they do not have the need to maintain them, and do not have a responsible attitude toward the same.

The right to use real property in social ownership is less efficient than private rent-based distribution. An efficient policy of the use of real property in social ownership can be enabled by a new social policy of real property utilization.

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In the new system, the right to use manufacturing assets is determined by work competition. Analogously, the use of individual housing needs to be provided by the rent competition of the people's bids.

The rent-based competition of real property users requires associated ownership of real property by all of the inhabitants of commune. This is possible to achieve by replacing the private ownership of real property by past labour points, which would set up a communal shareholding, or humanistic ownership of real property. Past labour points form the voting power of the people. All properties, whether private or not, present value to society. Therefore, the owners of private property should get voting power on the basis of their private property. But if the ownership remains privately owned it cannot affect the height of incomes of people in the community of the communes. In other words, if the owner does not surrender their ownership to society their income past labour points will be lower than their voting past labour points. If property owners surrender their private properties to society, these points will have the same value and will be called only past labour points.

Owners of real estate do not have, if they do not wish so, to sell their ownership to the commune. In such a case, they can use the real estate by themselves and pay tax as they do now. However, the real estate ownership will no longer represent the broadest form of presenting the power of the individual. Instead, past labour points will have this role. The sale of private ownership increases the quantity of past labour points. That will increase income, the power of real estate use, the power of choosing the job, etc. As past labour points are inheritable, it may be highly interesting for real estate owners to sell real property to commune.

The real property value is assessed freely in accordance with market value and under administrative control. Real estate owners whose residences are in other communes cannot be assigned past labour points, because the past labour benefit would remain in one commune, while income-based burden would be shifted to another. For this reason, real property owners from other communes need to sell their properties to their communes for money collectively owned by the commune's inhabitants. Then the inhabitants may exchange that money for past labour points in their communes.

The rent-related policy needs to ensure in a simple and efficient way a rational and socially acceptable use of the real property, of the dwelling and office premises in the first place. The society needs to ensure a free insight into real property value. In the commune's information centre records can be maintained of all real estates, with the technical description, position and the rent level.

The individual is an individual being, with individual feelings for the conveniences and inconveniences. This means that one and the same real estate may bring to one individual more and to one another fewer conveniences. Each inhabitant will auction up in the commune's administrative centre for the real estate that represents their largest personal interest, in accordance with their income possibilities. The inhabitant offering the highest rent acquires the right to use the real property.

The procedure for acquiring the right to use real estate is very simple. The highest stated rent becomes effective immediately and is subtracted from the income account of the user of the housing premise or of another privately used real property. In the case that a user of real property can afford the rise in rent and wishes to continue using it, they will remain a user of this property. A competing party that did not manage to occupy the desired housing premise will further compete for another housing premise.

Each stated rent obliges the user of the real estate to use it for a certain period of time at the stated price. After such time expires, the real estate user may lower the rent level if they will be allowed to do so by a potential competitive user of the real estate.

The user of real estate (apartment or house) who cannot afford or does not wish to accept the highest stated rent will have to state their view promptly, and surrender within a reasonable time period the used real estate to a stronger competitor. They will during that time seek a cheaper home to rent. Leaving real estate is inconvenient; however, it will be accepted in the name of achieving greater collective conveniences.

Any space that may serve for housing and business purposes is subject to the competition of real property utilization. If enterprises offered a higher rent than tenants, such real estate would then become a business premise, and vice versa. In this way the market will determine the best utility of real estates for society.

Real property such as public farming land and industrial facilities are subject to work competition and, therefore, it will not be necessary to pay any rent for such property as another form of competitive establishment for the right of its use.

The specifically intended purpose of utilization of the premises and facilities of a social nature, such as administration, courts, schools, health-care institutions, clubs, is set by the decision of the delegates of the commune's assembly or council. Such facilities are used by the whole society for specific purposes and they, therefore, are not subject to competition of the users.

The new form of social relations does not need rent in the classical sense as a form of income, because real property is owned by the whole society. It does not need rent as cash assets for the construction and maintenance of real property, because such assets are appropriated from the collective consumption fund. The new system needs the rent only for regulation of the rights to real property utilization.

The amount of money intended for rents of all real estates in the commune is established by the sum of direct statements of all real estate users. Such an amount needs to be added to the amount of money intended for income of the commune's population, and distributed to it proportionately to the level of individual incomes. This means that each worker will realize from the amount of money intended for all rents, a stake that is proportional to their income. A worker realizing a higher income has contributed more to the development of the society and thus has a greater right to use real estate. They exercise this right by getting a larger amount of rent-related money. The amount of money intended for rent will be directly collected in full from the income accounts of tenants and will thus not hamper payment transactions in the commune.

Distribution of real property will depend on the differences in the levels of income of the inhabitants of commune, the rent levels and on the value or, more precisely, on the necessity, of the real property. Larger differences in income levels will allow larger differences in the power of rent paying and, accordingly, larger differences in using real estate.

More valuable real property will realize larger rents, and vice versa. A worker who with a relatively low income would wish to use a relatively more valuable real estate would set aside for the use of real estate the money intended for rent and a part of money intended for their own consumption in favour of the worker who uses a less valuable real property. The latter would in this way retain the entire income and a part of the money intended for rent, which will increase their consumer power.

Family communities rent housing spaces. Each family member realizes income in the commune. In this connection, larger family communities or groups of people realize a larger income and a greater possibility of using real estate.

The proposed system of real property distribution represents the most efficient, most just and most acceptable real estate distribution, regardless of the ratio of the quantity of housing premises and the number of tenants, because the competition of the real estate users on the market of real estate directly balances the distribution. Such a form of rent will accept all positive characteristics of private and social renting, and reject all negative aspects, which will contribute to the prosperity of the society.

The competition of real property users would form an objective value of real property. Where the rent value of a real estate is higher, there is a greater interest on the part of the population. This is a good indicator for earmarking cash assets for the construction of a real estate. New construction of needed real property will create a larger balance between the supply and demand for immovable properties within the income possibilities of inhabitants. The construction, demolition and adaptation of immovable property are carried out against the fund of collective commodity consumption.

The life in such a system will allow each inhabitant to examine on the basis of practice the real need for the immovable properties and to demystify the alienated premises of perceiving the real property value. Such an orientation may diminish the circulation or

sales value of real estates and reduce it to usable value. The society can then ensure the meeting of all inhabitants' needs of real property.

### 3.1.2.9 Collective Consumption

Each society organizes a service that meets the collective needs on a certain territory. Collective services need cash assets for the collective consumption. Such assets are in any society provided by the tax policy arising from the sale of commodities, enterprise profit and workers' income.

The authority on the territory where it has sovereignty determines tax policy. In the present-day democratic social orders, the people choose their representatives in power that should represent the interests of their voters. In practice, the chosen representatives in power are, as a general rule, more inclined to follow their own interests or to represent the interests of the privileged society members that have strong influence.

The society does not have direct nor significant impact on the setting of taxes or on the purposes for which the tax money will be used. In this connection, no matter how much the authorities objectively meet social needs by their tax policy, the tax policy is alienated from the members of the society and they cannot accept it as their own. The society is forced to accept the tax policy created by the authorities and, therefore, it experiences it as an act of violence on its own needs. The outcome of such circumstances is the dissatisfaction with the tax payment and insufficiently built attitude toward collective ownership, which results in losses for the society as a whole.

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The newly proposed system needs a tax policy. However, it would substantially differ from the tax policy in the classical sense. The commune's population will directly tailor the new tax policy.

Once the sale of goods is completed, the realized cash gain of public enterprises is registered in the administrative centre of the commune in order to establish the productivity of each enterprise, and then all the money is pooled in the public bank of the commune. Pooled cash allows the population to distribute rapidly, simply and efficiently the collective money and to direct, in this way, the collective acting.

From this mass of money a quantity of resources intended for collective consumption would be set-aside in the amount determined directly by the commune's population. The distribution takes place within possible value ranges determined by the commune's leadership, and approved by its assembly or council. An inhabitant who assesses that the collective commodity consumption will require setting aside more money than for other forms of consumption will opt for a larger appropriation. A larger quantity of money intended for collective consumption will satisfy to a greater extent the collective social needs, but will diminish the quantity of money intended for individual consumption and economic development. The sum of the values opted for by all inhabitants in the

function of their voting power will represent a proportion of the distribution of the revenue of the commune.

It is worth mentioning that the assets intended for collective commodity consumption serve exclusively for this form of consumption, because all incomes of inhabitants are paid directly from the fund of individual incomes.

The population will, by its registered votes on internet applications determine the purpose of cash assets for collective consumption and thus achieve a maximum satisfaction of collective needs. The commune's population could vote whenever it will wish to and the votes would be valid for as long as the changes take place and thus make the new votes valid. The basic distribution of money intended for collective consumption is divided into assets intended for the maintenance and for the construction of the commune's collective facilities.

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Monetary assets intended for maintenance will need to be further segregated among the commune's administration, management, judiciary, social protection, health-care, education, science, culture, sports and recreation, the environment arrangement, for the needs of infrastructure, transport, social alimentary needs and other forms of consumption.

The leadership of the commune would set possible value ranges for the distribution of money to certain groups. The leadership of the commune is bound to set the limits for minimal resources that certain groups within collective consumption have to ensure for their own functioning, as well as the optimal and maximal possible quantity of money for certain forms of consumption.

An inhabitant assessing that a specific form of collective consumption requires a larger amount of money, in order to meet to a greater extent their own and collective needs of society, will appropriate a larger amount of money at the expense of the consumption form that in their view is less necessary. The statements of all the inhabitants of the commune are then processed in the commune's administrative centre. The sum of all values stated per groups in the function of the voting power of the population would represent the ratio of cash asset distribution.

The known amounts intended for the collective consumption groups will create a certain standard of certain groups. Inhabitants will, on the basis of practice, get to know whether it will be necessary to increase or decrease cash assets for the needs of certain groups. Such practice allows the population to get to know the needs of its commune. Each collective consumption group has a vast number of minor and major costs and a limited amount of money at its disposal. Inhabitants as a whole do not need to necessarily be interested in further distributing money. However, the distribution may be carried out by interested individuals as long as they will have interest in doing so.

The money for the collective consumption might also be distributed to non-profit companies that by its use offer the highest satisfaction of society's needs. That is something similar to the principle of money distribution for the development of the economy. The evaluation of such satisfaction will be performed by arbitration commissions, by evaluation courts, by various associations and directly by inhabitants of the commune. In the society where such evaluations of work have a direct impact on income or even on the distribution of income based points of workers, the use of money for the collective consumption needs will be very responsible.

Authorized managers will determine the final distribution of money assets under each group of consumption. Due to the high level of responsibility the managers will use the money intended for collective consumption in a kind of an agreement with the interested population or by way of questionnaires with a view to meet the social needs to the greatest extent. In the new system, managers will be the workers who are no longer able to meet their own needs without first meeting the social needs. Such a principle represents a guarantee that the final distribution of even the smallest money assets intended for collective consumption will be earmarked in a fashion allowing the most efficient way for the meeting of social needs.

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The population also directly impacts the construction of new facilities of social interest. Construction of the social standard-related facilities refers to the building of all kinds of premises, transport routes and infrastructure, as well as acquisition of the equipment that requires large amounts of cash assets. In this connection, the more the population opts for a larger quantity of money intended for collective consumption, including the needs for necessary construction, the more possibilities will be in place for building a larger number of facilities of collective standard, and vice versa.

The leadership will, on the basis of the amount of money at its disposal and the social needs assessed through questionnaires and direct statements by the population in cooperation with professional services, make plans for the construction of capital and other facilities. It will then define, with the help of and via mass media, the purpose and place of the construction, technical characteristics and the amount of money necessary for such construction, and all beneficial and non-beneficial consequences that such construction or non-construction entail.

Since any construction requires a large amount of money, a large quantity of collective work and introduces changes in the commune's structure on a lasting basis, a referendum needs to be organized in which the population will state their opinion on the subject matter. Each inhabitant will have to give their consent to the construction of a capital or expensive project, and may also express their views about the construction of any facility in the commune. Capital projects will be built if a majority of the commune's population approves the construction by vote in the function of individual voting power. Other facilities of less significance will only need a majority of votes of the number of inhabitants voting on the construction.

The proposed system of distribution of money for collective commodity consumption is subject to a vast and rapid social agreement, which contributes to the constructive orientation of society. In such a social system, the population has for the first time the power to directly manage collective consumption. Such power will contribute to making the population accept the collective consumption as part of their own consumption. In such a system, collective ownership is no longer alienated in any segment, which will contribute to making the population accept its community. It is worth pointing out that the individual prefers and likes more what they are more familiar with, where they act more. In such a community, one may expect a responsible attitude of the population toward collective property.

Possible departures from the constructive orientation of individuals will also be prevented by direct assessment of the society. The population will give bad income-based assessments to irresponsible individuals, which will reduce their income and quantity of past labour points. Arbitration commissions and courts will sanction possible greater individuals' irresponsibility.

Collective commodity consumption is the most rational form of consumption and allows the highest degree in meeting of social needs. Therefore, it may be expected that over time the population will increase the quantity of money intended for collective consumption, which will contribute to a major well-being and prosperity of the society.

## **Federal Consumption**

The commune is, in terms of the formation of its collective consumption assets, fully sovereign. However, in terms of its political affiliation, the commune represents a part of the state community. It regulates relations with other communes through delegates in the assembly of a broader territorial community. Representatives of all communes on the state territory establish collective consumption at the state level in the federal parliament.

Assets for federal consumption are necessary for the budget of the union of communes in the state. Cash assets are used for the needs of administration, state defence, and for the construction and maintenance of the facilities of state-wide importance. Once the necessary cash assets are determined, they are gathered from the communes by equally burdening the communes proportionately to their revenue. After the sale of commodities is over, such assets are set aside and forwarded to federal administration.

The distribution of money at the federal level is created by state leadership, and approved by delegates of the communes in the federal assembly or parliament. In other words, the population of the commune does not have at the federal level a direct impact on the formation and distribution of cash assets for collective consumption. It may be expected that the population, accustomed to directly deciding about the collective

consumption distribution at the level of the commune will seek the right to decision-making at the federal level, too. Direct decision-making by the population at the federal level is technically feasible, as is the decision-making at the level of the commune; however, it requires compatibility of the decision-making systems. In other words, all communes in the state would need to accept such, or a similar, system.

## **3.2 The Disalienation of Associated Communes**

### **3.2.1 Association of the Policies**

Generally, the origin of states has nothing to do with democracy. The people have almost never been asked in what state they would like to live. The states are the product of imposition of the needs of autocratic rulers. Needless to say, the solution is not the negation of states because of their non-democratic origin. The solution lies in their maximal democratization.

In present-day states the parliamentary form of democracy is prevailing. It is accepted by the society as the most democratic form of ruling society. However, after the performed election of leaders, delegates, or a party, the individual has no impact on the setting of the rules for collective acting. Delegated members in the parliament carry out an indirect form of democracy that easily declines from the election programs. The present-day state is a more or less closed, authoritative formation that, by a system of a stronger or lesser pressure, maintains the coordination of alienated social actions. This kind of state produces the alienation, autocracy, exploitation, protectionism, nationalism, destructiveness.

Elements of the present-day world politics and economy have achieved in the development of the society a great progress in terms of democracy and production; however, they cannot develop further and, therefore, are an impediment to the development of society. The new method of social behaviour in the commune finds a substitute for, and promotion of, all elements of the classical political economy and thus allows the continuation of political and economic prosperity.

I hope that this book will arouse the interest of a foundation, state leadership, a political party, associations and individuals who would spare no effort in contributing to the further elaboration of the idea suggested by this book. The proposed political-economic system will require a comprehensive analysis by a team of scientists of all interested profiles, a theoretical simulation of the commune's acting, and once satisfactory results are established an experimental application of the system will be possible in a smaller social community that would freely be proposed by some political party and accepted through referendum.

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The commune is a part of the state as a sovereign social organization. The commune's delegates in the state assembly represent the interests of their respective communes. In this way, each commune participates in making state decisions in creating the external and internal policy as well as defence of the country. Its internal affairs the commune defines alone by itself. Each commune is sovereign enough in terms that it can enact its

own laws and regulations on its own territory if they are not in collision with the accepted Constitution and constitutional laws of the state.

Also each commune is sovereign in the internal economic field if it does not conflict with federal laws. The new commune will further have a closed labour market in relation to the state and independent economy. Workers from communes with today's existing capitalist system will not be able to freely apply for jobs in the commune with the new system. They cannot realize income in the community with the new system if they do not have past labour points. Transfer of workers may be allowed in an administrative way, if a worker in their commune sells their property and thus gathers a sufficient quantity of money so that they can buy past labour points in the commune with the new system. Such worker will also then be in an unfavourable position as it will be impossible for them to get money in their commune for their own contribution to the building of collective ownership. Therefore, they will have a lower income and a smaller voting power than the worker who has realized an equally valuable past labour in the new commune. Transfer of workers from one commune to another will be free only under the condition that communes establish an equal system. Then the organisation of work would be performed on the level of associated communes. Regulation of the transfer of the value deriving from past labour would be then carried out automatically.

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The described system of social acting would ensure the economic, social and political stability of the commune. It would allow a faster and more stable development of the commune in all necessary fields than any of the other system. This also means the people would be reaching greater conveniences than in the other systems. When the experiment of the new system shows positive results, it may serve as a model to other communes. Political parties of other communes will then accept such a model of organization of social operation, which will contribute to dissemination of the system's productive orientation throughout the world.

By accepting such a political model of social order by several communes, a possibility opens up for a higher degree of association of the communes based on implementation of the new political and economic system. In this way, the commune keeps a part of its political and economic sovereignty, and transfers a part onto the association of communes. The association will be based on the collective labour market and collective capital. Such an association may bring direct conveniences but also it may bring inconveniences to the commune's population.

Conveniences would manifest in a free choice of labour in associated communes. In this way, there would be a higher probability of finding a job in which a worker is interested, and of finding a suitable place of residence and, consequently, of realizing major conveniences. Further, associated communes are economically more potent and are thus able to achieve a higher prosperity in the society and greater certainty in business operation in the case of disruptions on the market.

The population also may, for the same reasons, experience the association of communes in an unfavourable way. Namely, a larger number of workers create a stronger work competition and it may result in more difficulty to exercise the right to work in one's own interest. A greater stability of the economic system will inevitably require certain spill over of money between the communes for income, collective consumption and economic development needs, which will amortize instabilities of the free market and contribute to the stability of joined communes. The population may assess such a redistribution of money as unfavourable.

Therefore, the assemblies of communes that would like to unite will form a program that clearly determines the modality and defines the process of the association. Such a program will need to be accepted by the consensus of all assembly's political parties in all communes that would like to unite. It is quite possible that such consensus will not be easily accepted but it is necessary for reaching a better and more stable future of society. Each decision against the will of the minority is unacceptable because it creates enemies to society. Negotiations and mutual consensus built on optimal conveniences to all members of society leads to the best solution.

Then the proponent of the program and professional services will by way of mass media inform the population about the advantages and disadvantages of such an act. As association of communes may bring both conveniences and inconveniences to the population, it will have to be carried out by way of referendum where all inhabitants will express their views. The association of communes is an important act substantially impacting the society. For this reason, it would have to be accepted by a substantial majority of inhabitants. Let this majority be two-thirds of the votes in the function of the voting power of inhabitants who vote, and at least one half of the total number of inhabitants of each commune. That should not be a hard task after the consensus of all political parties is accepted.

It is to be assumed that the practice will show over time that the association of the communes brings a larger market that enables greater profits. Communes that would not be willing to associate themselves with other communes would become economically weaker than associated communes. Besides that, a larger-scale association enables higher productivity realized by a stronger work competition and more conveniences in operating results. A larger-scale association will result in a greater certainty in doing business in the case of any disruption emerging on the market. A larger-scale association of communes will form a larger accumulation of collective money, which ensures the meeting of a larger quantity of collective needs. A larger-scale association will allow more possibilities to the population to exert direct influence on the making of decisions of joint interest on the territory of associated communes. A larger-scale association will enable the population to assess the operation of any individual in the region of the associated communes. Briefly, a larger-scale association brings more benefits to the community as a whole and, therefore, it may be expected that the population of the communes will aspire to such larger-scale association.

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Association may easily develop to the level of a republic or a state as a sovereign social organization on a certain territory. Unlike the commune, the state as a fully sovereign social organization enacts the Constitution and laws of the state. The state assembly or parliament and its professional services determine the amendments of the constitutive law. When representatives of political parties in parliament form a consensus on the Constitution and its amendments, they will then forward the same to the population to vote about them by way of referendum.

The population presents its votes by computer applications via the Internet, by either accepting or rejecting each individual point of the Constitution or its amendments. Such votes are delivered to the local offices of the state in the communes where they are quickly sorted out by computer processing. Articles receiving at least two-thirds of votes in the function of the voting power and at least half of the total number of inhabitants in the state would be accepted, and the remaining rejected or subjected to further elaboration.

With the development of democracy the population will also need to decide about the acceptance of basic laws and about most important decisions. Basic laws and decisions govern the rights and duties of citizens, and relations in the production and distribution. Such laws and decisions will have to be emphatically presented to the population via mass media, with the comments of the bodies tailoring them. It will also be necessary to allow public criticism of the proposed laws. After possible corrections, with a high degree of consensus of the delegates, the federal assembly or parliament defines the laws and submits them to the population for approval. Voters adopt the laws and decisions of general social interest in the same way as the Constitution with at least two-thirds of the votes in the function of the voting power and with at least half of the total number of inhabitants in the commune or state. However, such decisions would probably not be hard to achieve after consensus of all the political parties is previously established. As the population decides directly about its own laws, it is interested in getting familiar with them. By accepting them with their own will, the laws are no longer alienated from the society.

Less important laws, regulations and decisions covering specific activities and not being of general interest for the population are accepted if they receive a majority vote of the delegates or deputies in the state's parliament.

Amendments of the Constitution as organic law and other important laws in the state have to be designed in the way to accomplish a majority vote of the inhabitants of all communes associated in the state. Such a concept is achievable because the population of any democratic state generally agrees with the formulation of basic human, civil, ethical, territorial rights. However, differences can occur in the field of ideology, as well as in the area of regulation of the relations in production and distribution.

If inhabitants of a certain commune would not accept the amendments of the Constitution, then the Constitutional Court needs to analyze departures from the collective Constitution. If the differences do not conflict with the fundamentals of state order, the Constitutional Court may accept a special status of such a commune, and the state parliament may ratify such status. However, if the non-acceptance of constitutional changes by a certain commune disrupts the fundamentals of state order and if, as such, it causes damage to the whole state, in such a case the Constitutional Court and the federal parliament may not approve such special status. The assembly or council of the commune with special needs then desists from their determinations, or insists upon its determination, and may realize it by a partial or full secession.

As a general rule, disintegration takes place in states with dissatisfied and irresponsible populations, with leaders yearning for great privileges, which will not be the case in the new system. Although it is hard to expect that secession could occur in the new system, the democratic system needs also to allow, by its determination, the possibility of a partial or full disassociation of communes.

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Today, there are no international rules that might regulate secession. Rules are not in place because world powers decide by themselves, according to their own needs which province or republic is or is not entitled to secession. Generally speaking, every independent country whose government does not allow world powers to control it will be given strong opposition by world powers. If such opposition is not successful, then the world powers, in order to enslave such a state, work on the disintegration of the state. The world powers help secessionists who work on the disintegration of the state. This happened in both Yugoslavia and the Soviet Union.

The right of people to self-determination in the Basque country, Catalonia, Corsica, Northern Ireland, California, Palestine, Tibet, Kurdistan does not exist in any form. Secession is not possible since such a right of the people would weaken these countries. People in smaller territorial wholes generally do not have the right to self-determination. The exceptions are referendums on secession in Quebec, Canada and Scotland, United Kingdom. They are permitted by authorities because these secessions would actually change nothing. Big business rule here and will continue to rule equally regardless of secession. This only concerned a cosmetic change.

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I will take the liberty to offer a proposal for self-determination of peoples, which may be discussed. States have originated as authoritative creations and have maintained such status regardless of some democratic elements they have introduced. Full democracy must allow re-examination of the status of the states, or checking of the readiness of the people to live in the state where such issue is raised.

The right to self-determination needs to be vested in any republic, province, including the smaller territorial communities of people, the commune in this case. For such a decision, the assembly of the commune needs to draw up a program that will establish the exact disintegration procedure which will be accepted by consensus of political parties. Then, the proponent of a program and professional services will by way of mass media, inform the population about the advantages and disadvantages of such an act.

Disintegration is a process that strongly impacts the commune and, therefore, the inhabitants of the commune wishing autonomy need to gather at least two-thirds of the votes of the voters who voted on the referendum in the function of their voting power, and at least half of the votes of the total number of inhabitants.

If referendum in the commune would confirm the will of the people for self-determination, then representatives of both interested sides would engage in the division of assets and liabilities, disintegration of the collectively acquired goods, including regulation of all obligations, claims and the newly established relations. On the basis of the agreement achieved, referendum would need to be organized on the territory of the entire state.

Established disassociation would be accepted if it were in the interest of at least half of the total number of inhabitants of the state. Since the commune has the right to self-determination, the state also needs to have the right to its self-determination that can prevent the secession of the commune. If the referendum fails, the process may be harmonized and repeated. The process of disassociation would be difficult and, if ever such demanded, long lasting due to the fact that the enormous number of ties between and among communes, companies, inhabitants created from the establishment of the state, cannot be simply broken.

The democratic approach to the association of the communes also requires freedom of disassociation and limited mutual links. The fewer authorities a commune assigns to the state, the more sovereign it will be, and vice versa. A higher degree of sovereignty of the commune will bring to individuals either lesser or greater conveniences and inconveniences, and the practice will establish optimal relations.

One can assume by an objective analysis that the population will by its own practice reject the disintegration processes, as they cannot bring greater conveniences either in economic or in general social terms. Major conveniences and benefits generally result from integration processes. An integrated state with a new system may function in the same way as a commune does. This means that it can accomplish more conveniences to the society than the commune, because the richness of different determinations is greater, as are the possibilities of the associated economy and the stability of the economic system. The new state will ensure to its population more freedom in accomplishing conveniences and direct decision-making power of all inhabitants when collective needs are concerned, as was described when talking about the commune.

By association of communes, the inhabitants have the possibility to autonomously give rewards and pronounce sanctions by assessing the protagonists of either favourable or unfavourable actions on the territory of the entire state. The assessments will to a small, however, respective manner impact the income and the quantity of past labour points of workers, enterprises or communes and thus will ensure a highly productive orientation of the population of the state in its entirety.

The proposed system is based on objective value categories and thus demystifies authorities and overcomes alienation. Life in such a system can suppress the importance of different ideologies to the benefit of life in accordance with human nature. The proposed system allows each individual to discover their own needs, to form them within the limits of their possibilities, and to satisfy them and thus, accomplish conveniences.

The process of disalienation overcomes destruction in such a system. Conflicts are possible among individuals; however, conflict will be in nobody's interest because all parties will lose by mutual negative assessments. Conflicts will be solved by mutual respect and joint agreement. The most important consequence of such a system is that nobody will be able to raise conflicts of individuals to a social or national level, as each attempt will be sanctioned and because the progressive orientation of society will not produce followers who would support them.

### 3.2.2 Association of the Economy

A larger social community offers stronger possibilities of development to the economy and, accordingly, a greater prosperity of society. At the same time, it requires a more concerted effort for the accomplishment of a coordination of collective acting. Presently, the money in circulation mainly regulates relations in the production. The money in circulation forms the micro- and macro-economic policy of the society.

The micro-economic policy regulates the supply and demand of goods and labour on the market. Such a policy is the product of free purchase and sale of goods by individuals or enterprises. The free market is hard to predict, which creates great difficulties in establishing a stable economy. Only a highly developed form of planned economy can accomplish a fully stable micro-economic policy. Such an option requires a production by order of individual consumers. As the society does not have for the time being, such an option, it has to accept the market economy with all its advantages and disadvantages.

The macro-economic policy regulates the economy in the state. The state leadership conducts such policy in order to satisfy the state needs. The state macro-economic policy regulates the monetary, fiscal, credit, income, customs and other policies. The task of the macro-economic policy is to ensure the growth of productivity in the economy, to bring the balance of payments of the state into equilibrium, to form social security of the population, and a balance between the supply and demand of commodities and labour on the market. The task of the state's regulation of economic relations is to produce a stable and efficient economic policy that will bring prosperity to the population.

States with the capitalistic system support the free market economy and for this reason have little operative possibility in influencing the economic stability and prosperity of the economy. In such states, the macroeconomic policy tries to make up for the deficiencies of uncontrolled money circulation by way of setting monetary policies. Then it can consciously manage monetary flows and, thereby, the state economy.

The state is a heavy possessor and consumer for the needs of administration, national defence, all forms of insurance, investment, commodity reserves, various subsidies, etc. By earmarking the money it also earmarks the economy. In addition, the state employs an enormous number of people. It can also increase this number by organizing a planned production for its needs. Such an economy offers the most stable form of business operation and states frequently practice it as an escape out from economic crises. However, big businesses fiercely oppose state enterprises because they take profits away from them, and such an economy gets largely privatized everywhere in the world under the influence of the rich and powerful. They are successful in this regard because large-scale state-owned systems have a markedly developed bureaucratic structure that reduces productivity. It is really fair to say that present-day state services

are often inefficient as was the centralized socialist system of doing business. On the other hand, the efficiency of work organization in large systems is not an insurmountable problem. The stronger proof is the permanent strengthening and merging of large private corporations, which have more and more workers, operate very well and can even more so improve.

Furthermore, each state leadership could, for example, fully abolish unemployment by enacting the laws that would shorten the length of work hours proportionately to the rate of unemployment. Naturally, the problem is that full employment makes work more expensive and thus reduces the profit of enterprise owners. Big businesses give great support to the political parties winning elections, and such parties will not support the interests of those deprived of their rights. They will not realize full employment of workers and a balanced distribution of conveniences and inconveniences in the society.

However, the leadership of each state tries to ensure its economic prosperity but they have not found general socially acceptable methods, and lack operative possibilities that can achieve economic prosperity and stability of the society. Present-day state leaderships are not sufficiently successful as there is no mechanism able to monitor and conduct a satisfactory economic policy of the enormous independent turnover of goods and labour.

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The newly proposed system introduces new elements able to tailor a satisfactory economic policy. The proposed system is based on the agreement of the most productive manufacturers, which allows maximal productivity of the economy and a relative stability of the system. The stability of the new economic system will be based on a steady production, stable prices of products, stable incomes and the known needs of the population. In this way a stable production and consumption will be formed, as a precondition for the stability of a state.

The association of communes into a state allows a higher degree of labour distribution with full employment of workers as demonstrated in the commune. Leadership will direct the work in the manner so as to maximally use of regional and manufacturing possibilities of certain communes. In the centralized system of production organization, state leadership will follow the interests of the people and aspire to enterprise association. This will help to diminish, and later completely abolish the competition of enterprises, with equal production programs. Vertical hierarchical subordination will ensure a rational production and a more stable business activity.

The new system will garner large productivity by lowering enterprise competition to the level of work posts. Within the state, a unique principle of exercising the right to work by the work competition will be in place. Any inhabitant may apply for any work post in the state. The workers who would like to work in other communes might previously be required to announce their intentions to authorized managers in order prepare work

posts for such workers. However, their freedom of working choices cannot be questioned. The work competition will, on one side, give an objective value of each work and, on the other, improve the productivity of each work post. The population will in this way achieve more conveniences than in capitalism.

Free work choice in the state also opens up the problem of excessive migrations of the population from economically less developed to economically more developed regions. Such migrations would also make the planning of production more difficult, and reduce stability in doing business.

State leaders will be required to take into account the interests of all inhabitants of all communes when organizing regional economic productions. Their program will be accepted by the consensus of the political parties of state parliament. However, if the state managers are not successful in practice that would cause large migrations to regions with privileged status. Also, that would certainly increase work competition for the limited number of work posts in privileged communes and without doubt that would dissatisfy many people. State leaders, who would not offer an equal chance to all communes to develop, would receive negative evaluations from dissatisfied people. Negative evaluations would decrease the incomes and quantity of past labour points of the bad leaders. Unsuccessful leaders will for the first time be really responsible to the people and therefore would have to leave their positions. Only the most skilful and brave people would dare to work in leadership. This is a good guarantee for the state prosperity.

When the just distribution of work is established among communes, the system itself will completely solve the problem of working migrations from non-developed to developed communes with the past labour points of workers. Workers in non-developed communes have a less valuable past labour because their contribution to the building of the economic system is smaller. They also accomplished a lower productivity and, therefore, realize smaller profit and income. Smaller incomes lead to a smaller quantity of past labour points as a permanent form presenting their overall power. By migrating from one commune to another, the worker takes with past labour points that form their income. Workers from non-developed regions have a smaller quantity of past labour points and by moving to work in developed regions they will realize a relatively equal income for the same work as in the non-developed communes. By applying such a system, income will not be the factor that will stimulate workers to migrate from non-developed to developed communes.

Hence, migrations of workers will be possible, but from the point of view of income and past labour points they will be non-stimulating. Workers will be more stimulated to remain in non-developed regions, as such regions can on the basis of grants intended for economic development achieve a faster increase of profit and, consequently, a larger increase of incomes and of quantity of the past labour points.

The system envisages in its entirety, an exact establishment of responsibility of the workers, enterprises and communes for the realization of the envisaged productivity, as

a guarantee for the survival of itself as demonstrated in the commune. The responsibility is borne by income and past labour points of workers. The system also envisages the establishment of responsibility by way of mutual assessments of inhabitants, consumers, associations, arbitrations and evaluation committees at the level of the state. This will be a guarantee for the establishment of responsible relations in the state's economy and for the prosperity of such a state.

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The proposed system can ensure a considerably higher degree of stability in the society by the pooling of money. In this way, disruptions in market trends can be more evenly distributed. The new system forms a single mass of money that will be elastically distributed onto all forms of consumption according to market and democratically established principles.

Thus far, it has been state leadership that has regulated the macro-economic policy of the state, i.e. the fundamentals of social relations. This means that autocrats have always ruled the society. As autocrats often have specific interests in relation to the population, the population may easily stay dissatisfied with the decisions made by autocrats. Moreover, the decisions made by authorities are alienated from the population and, therefore, the population cannot accept them as their own.

One may say that the present-day macro-economic policy has reached its maximum efficiency and that further development of economic relations can be allowed by further development of economic relations in the economy. In a developed democratic system each inhabitant will participate in creating the macro-economic policy of the state by direct participation in the distribution of collective money.

Thus, by the distribution of collective money the people will directly form a new economic policy of the state that will replace the monetary, fiscal, credit and income policies of the present systems. Moreover, it will create a new production and development policy of the economy and, consequently, of the society. Direct distribution of collective money will drastically reduce alienation in the process of production and distribution, while the economy will get the macro-economic orientation guidelines of its own activity and thereby the elements for a higher degree of a stable business activity.

The state issues money. The total supply of money in circulation needs to be formed, approximately, between the value of the total commodities produced and the total realized profit on the market, as described in the commune. The system allows a relatively easy control of the money in circulation and, thereby, strong control over inflationary and deflationary processes, which ensures stability in the business activity of the economy.

The entire mass of money envisaged for the turnover of commodities in the state is distributed to cash assets intended for the communes, and cash assets intended for the state. The ratio of the money intended for the communes and for the state is determined

directly, by democratic statements made by all inhabitants of the state in the function of individual voting powers within possible value ranges set by the state leadership.

Cash assets intended for the communes are distributed proportionately to their productive power of communes, in the first place proportionately to realized profits on the market. Also the distribution of funds among the communes will be made in proportion to other factors that determine income, such as environmental pollution, crime, etc. which have already been defined in the chapter: "Income Distribution". This means that each commune will have at its disposal the quantity of money it deserves based on its entire production productivity.

By pooling the money earned in all communes, it is possible to make small deviations from the communes' realized profit as a way to ensure a stable income of all communes. Namely, if in the case of a natural catastrophe or bad operating results, a commune registers a significant loss of money, the income of such a commune can be covered from the collective fund and gradually reduced until the economy in the commune becomes consolidated, and would then again rise. In this way, the system ensures economic stability of all communes.

The population of productive communes may assess the spill over of income between and among the communes as unfavourable. However, it may be assumed that inhabitants of all communes will accept such pooling, as the spill over would not be significant nor frequent, and would ensure the stable income of the communes. The money realized for the needs of the commune will be distributed in a fully sovereign manner by direct agreement of the population as already described.

Monetary assets intended for the union of communes serve for the collective consumption and development needs of the whole state. Such assets are formed and distributed by direct voting by all inhabitants of the state. It is worth mentioning in this connection that more assets intended for the state diminish proportionately the quantity of assets intended for the communes. In the portion of money earmarked for the state needs, communes lose their economic sovereignty.

Money assets intended for the collective commodity consumption of the state are distributed per groups, as are the assets intended for collective consumption in the commune. The only difference is that the assets satisfy the needs of the state. Such assets are used for the maintenance and construction of the state administration facilities, for state defence needs, for the needs of construction and maintenance of facilities of great importance, for health care, education, science, culture and sports, main transport routes, infrastructure and other facilities necessary for all inhabitants of the state, that represents a too heavy investment burden for an individual community. In this way, a more rational and more effective use of the collective money is ensured.

Assets are used according to the possibilities, and are directly distributed by the population of the state in the manner identical to the one described in the commune. Direct expression of inhabitants' views by votes is, perhaps, the most important

measure of the system. The population having ruling power will try to get to know the needs of its state. Such a system will contribute to the disalienation of the population from the state, which will therefore accept it as its own to a greater extent.

Assets intended for the economic development of the state serve for the developmental needs of the associated economy that is located across several communes, for large investments of some communes, as well as for all enterprises unable to realize the assets that would be earmarked for economic development in their communes. Assets are distributed to enterprises according to the magnitude of the development coefficient in the same way as in the commune. Enterprises envisaging a larger profit on the basis of a smaller quantity of necessary cash assets over a shorter turnover period will ensure the necessary amount of money intended for economic development. Cash assets are allocated in the form of grants, as they are renewed from the revenue of the state in each accounting period. The whole state will then be actually associated in a single big company, and companies do not have to repay to themselves invested money. Enterprises are bound to realize the envisaged monetary gains within a determined period of time. In this way, cash assets intended for economic development would achieve their objective, and the whole system would find its sufficient justification.

It may be assumed that the economically developed communes will be less interested in expanding their development, as their living standard will be so high that it may approach the level of saturation. A rise in productivity of a developed economy may entail a greater risk in terms of profit realization due to the saturation on the market and insufficient purchasing power of non-developed communes. This fact offers a better chance to non-developed communes for ensuring more money assets needed for development, than they could themselves provide for this purpose. By increasing productivity, non-developed communes will increase their purchasing power and thus expand the state market. The system will in this way contribute to a more balanced development of the entire state.

### 3.2.2 Association of States

States organize power on their territories in order to achieve more conveniences to the population. However, when the power does not suit the nature of a society, the states conduct an alienated, autocratic, authoritative policy. Such a policy creates an irrational and unstable economy of the people, an inappropriate and unjust orientation among nations, tensions and risks in relations among the states. States are responsible for the most massive bloodsheds in the history of mankind.

State leaders are trying to put in place a more successful policy and economy than other states have. In the alienated world, states conduct through a false impression of cooperation, a merciless fight for political and economic domination. The USSR and the USA are an example of the longstanding fight of ideologies of communism and capitalism. Both states invested enormous funds in development in order to each present their country as more successful. America defeated the USSR not so much thanks to American successfulness, but due to the longstanding erroneous USSR policy that, in competing with the USA, did not care enough about the needs of its inhabitants. When the incapable leader Mikhail Gorbachev emerged, the USSR was doomed to catastrophe. As consequence, the USA has now taken the right to impose its interests to the whole world. In the first place, it is imposing a liberal capitalistic model that enables the richest stratum of people to rule the world, as there is nobody today able to oppose their economic power.

The most important defect of the present-day political systems is the fact that effective power is in the hands of a small group of powerful people headed by the Rothschild family. Those people have built their power by the help of the ownership of big corporations and especially big banks. That is how they exercise the power to rule over the governments of the Western world and through them they practically rule the whole world. They are very well organized and unexposed. Moreover, they are hiding in a way that the public does not know that they rule the world. Hidden as they are, they can rule indefinitely as there is no mechanism that would take them away from power.

If we analyze UN resolutions, we will see that most resolutions were imposed by the USA that materializes almost exclusively the interests of the Rothschild family. If we analyze mass media, we can draw the conclusion that in the "free" west information is under control. Mass media are privately owned and it is not difficult to conclude whose policy they are pursuing. The Rothschild family, through its agents, imposes its interests equally through daily reports, cultural and entertainment manifestations, commercials. If we analyze who gets recognition in the world, it is easily visible that the same policy is behind all of them; the policy beneficial to the world's rich. They appoint their people to all-important functions in the world.

State leaders of the developed world are the most exposed examples. They are trying to present the interests of their sponsors as the interest of the population. If they are sufficiently successful, they keep their function and if not, the people elect new leaders

who will again pursue the same policy following the interests of the rich. State policies of developed countries remain pretty much the same after changes in leadership. There is no sense in listening to state leaders, as they do not speak the truth. Their lies generate a moral crisis at the top of the state that then expands everywhere. My advice to the voters in the developed world is to not vote. Do not give legitimacy to the corrupt system. Please, boycott that fake creation until the policy allows you to really decide on your needs.

The Rothschild family makes all the important decisions in the world. In order to achieve a greater economic and political power in the world, they even associate states. They thus decided to unite Europe, the continent where antagonism among nations has been present for millennia, where in each state a different language is in use, and where different cultures and religions meet. Such an attempt seemed almost impossible, but as a result of the enormous energy employed, money invested and the propaganda of big business the uniting of Europe is materializing. Even if inhabitants of one or another European country reject in referendum the uniting, this will not stop the rich. With additional effort, they will materialize their idea in the end. In this way, the European Union is forming a single market, parliament and government, and Europe is becoming one country.

The unity of European countries is a good idea but it cannot be successful because it is a product of the wish of the most powerful people to take more power and control over it. All decisions important for associated states will be further made at the alienated state, ministerial and parliamentary level, which cannot help in overcoming the unfavourable orientation of society. Since not a single present-day government is able to resolve the fundamental social problems on its respective territory, associated states will be even less capable of resolving them. Politically, it is very hard today to harmonize different national, ideological, religious, cultural, economic and other interests.

Economically, the free market system does not have an able mechanism to establish stable frameworks of distribution of labour and of operating results. A collective state can try to accomplish stability of the system by a selective tax policy and subsidies. However, there is no objective criterion for harmonizing different interests internationally, which makes the agreement-reaching process more difficult. The free economy does not have a stable base, and any oscillation in trends represents a temptation for such a system and easily brings economic and political crises. Associated states would be striving for their partial material interests, which will easily result in contradictions, antagonisms and splits.

The Rothschild family, through their agents, plan to unite the world under their control, but it will not happen soon. Inhabitants of developed countries have been raised for generations to follow the interests of the rich, while the rest of the world with voting rights could react beyond the control of the former. Moreover, inhabitants of developed countries have also been raised for generations to perform highly productive work from which, needless to say, the rich have greatly benefitted. The developed world would

incur costs on the behalf of the developing countries and this is the reason why the uniting of the world is for the time being impossible.

Presently, the rich imperialists are ready to offer to the rest of the world their own dictate only and, in the best case, free market relations by setting up the World Trade Organization. The reason is simple. They will realize a larger profit on a larger market and, accordingly, larger conveniences, with almost no obligation toward such states and nations. Less developed countries and economies cannot sufficiently compete with their products so that they will be more and more forced to allow the world's rich to cheaply buy their resources and pay small wages to the labour force. The logic is quite simple and disastrous; it is better to be exploited than not be able to make any earnings on the cruel world market. The Rothschild family buys companies all over the world through their agents. They do not have any longer primary interests in becoming richer; they simply want to take over the world.

Each country that will try to find its own way and oppose the world's rich will suffer not only economic but also political pressures. The World's rich not only exhaust economically the less developed countries by way of providing loans and credits, they also topple governments in such countries in search for obedient leaderships, they produce civil wars in these countries in order to weaken them on a lasting basis and make the states dependent on their power. That is why one may expect many organized wars, civil wars; especially in countries rich with natural resources. Once the wars will have sufficiently exhausted them, the Rothschild family by the help of the developed countries, will have established neo-colonial control.

The powerful of the developed Western countries have the alienated, meaning insatiable, need for tailoring the world according to their will. Such policies always create disruptions that endanger world peace. We have been witnesses so far of the most organized attempts at establishing control over the world. However, all attempts so far have ended in bloody failure, and it seems that the present one will conclude in the same way if the world policy fails to change.

There is a slight chance that such a policy could be changed inside the West itself by an organized revolt or revolution against the system. Such an option requires a big economic crisis and a majority of people without basic human rights. But the World's powerful people have operative possibilities to prevent the appearance of such a bad situation. Besides that, they may direct the dissatisfaction of the people where ever they want by the help of the propaganda apparatus they control. This option very easily leads to war. One cannot exclude the possibility for creation of a strong opposition to the policy of the world's most powerful people but this option is also weak, mostly because the people do not know who the world's decision makers are. The people are only able to see the result of their policy and they assign it wrongfully to the exposed leaders. The strong opposition may only postpone the realization of such policy but cannot stop it. There is also a small chance that the most powerful people of the world might lower their appetites and consider the interests of the people. Unfortunately the power they develop is by its alienated nature insatiable and therefore the problems will more likely

grow. Therefore the chances of stopping the aggressive policy of the world's most powerful people in the west are very small.

In history, Russia has always managed to halt the raids of western imperialists despite being weakened for various reasons. But new imperialistic attacks will not be carried out with tanks, but by the corruption of the opposition in Russia, which will sooner or later, by nature of today's liberal democracy, come to the power. Then Russia will become a colony of the Rothschild family. In the end, the Rothschild family would probably be opposed by strong China because it is, as a one-party state, relatively immune to the troubles approaching from the Western world. In the alienated society the country is stronger when the authority is stronger. Please do not consider the strength of the country as advantage; the people live worse in such countries.

By adopting the Western market economy model, China has become one of the most respectable countries in the world and will probably restrain the powerful clique of the West. However, China does not have, as is the case is in the West, any response to the economic and political problems already known in the West, which will undoubtedly soon affect China as well. It is hard to predict what will then happen. There is no reason for optimism. In China, the privileged party elite is rules non-democratically as the rich in the western world do. It remains to be seen if mutual problems will lead to a war or whether a sort of an insufficiently stable cold war balance of powers will be established before the alienated, corrupt or, briefly, immoral systems break apart from inside.

The present-day world definitely does not know any model of joint coexistence that is able to ensure prosperity of mankind. The present-day world's relations are based on a dangerous and ruthless competition of determinations, and not on cooperation. The current world policy is creating objective injustices between the states, caused by enormous differences in the level of economic development and in the right to use natural resources. On one side is excessive production, and on the other, famine.

The history of mankind recorded some attempts at building a better world through association. In that endeavour, world organizations were established that tried to bring closer states and nations into an interdependent whole. For this reason, the Organization of the United Nations, the World Bank, the International Monetary Fund, Interpol, international health organizations, and many others were established. It is probable that at the very outset of establishing these organizations existed an idea of creating a better planet Earth. The organizations were supposed to bring conveniences as a result of the higher degree of association of nations, labour and capital, a greater wealth of determinations, a larger production and consumption strength and, accordingly, a greater welfare. Such organizations were supposed to reduce the possibility of an emergence of war conflict between states. However, the result is contrary to expectations. These organizations are being generally used for winning predominance in the world and represent as such a threat to mankind.

There is no doubt, however, that the greatest danger in the world arises from the alienation imposed by the authorities. We are living in an alienated, egocentric,

narcissistic world where people form large alienated needs. Alienation can deceive an individual to overcome their impotence before nature, but no activity can realize it and therefore an alienated individual is generally unhappy. Non-satisfied alienated needs represent an origin of destructive energy, which on a daily basis brings enormous problems to the world. Alienation is a disease that afflicts the entire world, whether rich or poor. Authorities may easily canalize such destructive energy to cause destruction in any of its parts. Of course, the most influenced people in the world are the most dangerous people of the world. As the world has not managed to overcome its alienated orientation, it has not found, either, the base for accomplishing its own prosperity.

Today, the world is proud of the development of technology and production, but it did not move a single step forward in the development of human consciousness. Moreover, we are entering a period of a great worldwide degradation of basic human values. In this connection, one cannot say that all negative phenomena, destructions, wars belong to the past. With the development of technology, this problem has been raised to a higher level and is threatening mankind more than ever before.

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OK, but what is missing in order to change the situation? Knowledge is missing! In this book I have presented the knowledge necessary to form a good and sane society. It will take power away from the authorities and give it to the people. The described humanistic political order can efficiently solve all of these enumerated problems. The described system adopts and develops all positive characteristics of the known socio-economic formations, and suppresses or removes negative characteristics. It respects democracy, human rights, general and special individual interests, past and current labour and the values emerging from it, natural constructive inter-personal relations, and prevents the existence of alienation, privileges, hegemony, exploitation, and any destructiveness. The new system is so productive and elastic that inhabitants of other states can accept it. Such an act opens up the possibility of association at the level of states. Once the integration process among the states has started, then the association of the associated states at the level of the entire world will be just a matter of time.

By associating, the states lose a part of their sovereignty because they assign it onto the union of states but also they realize at the same time new social life qualities. When mankind accepts the described socio-economic system, then the whole world will function as a commune. For the first time the world will exactly know, at any point in time, how many inhabitants it has and what their individual and collective needs are. For the first time it will be able to pursue a reasonable rational policy and satisfy the needs of the population.

In such a system each inhabitant will have the freedom to act on the territory of the whole world. They will have freedom to choose a place to live and work to do anywhere around the world. They will be able to do it after announcing to authorized managers or agree with other workers. Freedom will have one limitation. The individual will not be free to make inconvenience any member of society. The system will develop very

effective protection to each individual from inconveniences committed by any member of society.

The described system will allow each inhabitant to assess any convenience or inconvenience that they experience from any point in the world. They will do it by making a direct statement in the administrative world centre or in its satellite, the commune. The system of assessments can form a completely new system of values in the world, which will valorize and sanction any inconvenience, and reward any convenience that the individual causes to another individual. As such assessments will directly impact the income and past labour points of an evaluated individual, each individual will be responsible before the whole world. They will try to produce the least possible number of inconveniences and a maximum number of conveniences to the whole world, thus forming the base of the productive constructive orientation of the whole world.

The new system envisages direct statements of all world inhabitants about the essential political, economic and other areas of joint interest. In this way, the rules of joint action in the world will be established in a direct democratic way.

The system would form the world monetary policy and the world distribution of money. The collective money would be directly and democratically earmarked by mankind for the world's individual consumption, collective consumption, development of the economy, and onto all partial spheres of interest.

The new system introduces in all states a universally established value in the form of the price of labour, which objectively presents the past and current labour values of all workers in the world. Upon such values, the system of all other economic values that will establish a uniform, just and acceptable distribution of all forms of conveniences and inconveniences arising from past and current labour of all workers will be built. Those are exactly the missing elements of the European Union for the establishment of a stable productive economic policy and therefore a general stability of society.

The new economic system envisages a worldwide association of the economy into one large enterprise of the world, world leadership, world planning of the production, and world labour distribution according to the principle of free labour competition. The managers of the world will orient the world's work quickly, rationally, and efficiently by the help of computer technology that is already well developed today. That would form a high and stable productivity that would optimally satisfy the material needs of the entire mankind. The free labour market will abolish work privileges in the world, which will inevitably entail the planning of production, labour distribution and distribution of operating results that optimally suit the interests of all of mankind and of each individual inhabitant.

Such a system will allow each inhabitant to get to know their natural needs through their own practice and in this way overcome alienation. The possibility of expressing each individual's direct natural interest will free the society from alienated ideological,

national, religious, cultural, economic and other alienated interests. Individuals will finally have the chance to live their lives in full and then they will not care any more about idols, alienated ideals, fetishes. The nature of the individual is unique for mankind and by bringing the individual come closer to their nature; the conditions will be created for forming a harmonious and homogenous social community in the entire world.

Each individual will exclusively rely on their own forces in meeting their own needs, and will learn how to form them in accordance with their own possibilities of realization. This will represent the basis for meeting needs and, consequently, of the constructive orientation of the society. The people who permanently satisfy their needs are not destructive. Such a system will form a factual equality among people and the narcissistic trait of the character as the chief cause of alienation and conflicts among people will be overcome to the benefit of natural cooperative relations.

In such a system, the states and nations will no longer be endangered. It may be expected that the funds intended for armed forces will be abolished by the direct voting of the population, which would definitely disallow the emergence of wars.

The proposed system will form a new consciousness of the individual, new ethics of the society, and new relations in the world. Such a system will enable safety, a convenient existence, and a spiritual and material prosperity for all inhabitants of the world. Shortly, it will form Paradise on Earth. As such a socio-economic system will be directly created by mankind, the state as a form of authoritative pressure over the society will be no longer needed.

### 3.3 Expectations of the New System

The new system has the ability to regulate all kinds of values in society by using past labour points that will equally present income and voting power to each individual. Among others things, past labour points may regulate the world population. Granting a stimulating quantity of past labour points for childbirth may increase a low population. And vice versa, a high population may be decreased by removing a sufficient number of past labour points from the couples who would like to have more children than society finds appropriate. The system will develop the same kind of responsibility for protecting the human environment. It will make the whole planet Earth clean and healthy. By the help from past labour points it will be possible to influence humankind to become highly responsible towards its future.

The new system will not need a large number of today's work posts any more. The reduction of work posts will start with administration, national defence, police, marketing, trading, insurance companies, etc. Administration will be significantly less needed because accountancy will be automatic. National defence will not be needed because no threat for any nation will exist anymore. Police will not be needed because no threat for individuals will exist anymore. Marketing will not be needed because no competition among companies will exist anymore. Traders will be significantly less needed because consumers will mostly order consumption directly from producers. Insurance will not be needed because the system will directly provide social and any other insurance to all of the people. It is hard right now to name precisely all the work posts that will not be needed in the future but we may assume they would probably be work posts in direct production and services for satisfaction of the natural needs of society. We are talking about approximately half of today's work posts. If we take into account that the system insures full employment of workers, then such a reduction will automatically reduce needed working hours to 4 hours per worker per day for the realization of the same productivity as today. Besides, the shorter work hours will reduce inconveniences that work may bring so that the direct value of work will be greater.

The work, while lasting, directly brings conveniences and inconveniences. The individual aspires for the work that brings more benefits, and tries to avoid inconvenient work. In the proposed system, each worker will have a great opportunity to choose the work that will, while lasting, brings them major conveniences under the condition that they achieve a satisfactory productivity. It may be supposed that each worker will, in the field of their own working interest, invest more effort, which will augment their working abilities, and will thus exercise the right to work in their own interest.

The workers unable to accomplish a satisfactory productivity in work forms convenient to them may be released from the work duty; however, they will realize a smaller income than employed workers. Each worker who during their length of service and by

inheritance gathers a larger quantity of past labour points, can also be released from any form of work and simultaneously acquire, on the basis of past labour results, a satisfactory share in the income distribution.

When work brings more conveniences to workers it will become a direct value. Such workers will, therefore, lower the current work price in order to achieve a higher competitive power for the desired work post. Some workers employed at work posts bringing them a great convenience will over time accept income equal to if they are not working, or an even lower one. This means that to such workers the work will be a higher value than the value arising from using the operating results. They will achieve the right to the work in their own interest on account of a smaller share in income distribution. Even today, a great many persons would be willing to work on a gratis basis in today's attractive work posts, such as the post of state presidents or a main movie actor. The new system will demystify the value of work posts. When all work posts become equally accessible to the people, work practice will remove their alienated mystic value. Also the system will make all work posts equally attractive which will equalize demand for all work posts.

The work forms that will be to a considerable extent inconvenient will be identified by a higher current work price. It may be assumed that these will be manual, physical, and non-creative work forms, such as line production, mining, building or agriculture. Such work forms will be assisted or fully replaced by automation.

The technological progress in production today has already managed to rid the individual of markedly inconvenient forms of work, and this process will further develop. Further on, management in the economy can redistribute the inconvenient forms of work onto several work posts over a short work time, which will contribute to the balanced distribution of working burden. The development of technology and new work distribution, with the application of work competition, will bring much greater benefits to the workers. That means that the workers will start to achieve higher conveniences in work than they are able to achieve out of work. In such a system, the work will become a direct value.

The direct value of the work advocates working conveniences of being, arising from the work itself. Being conveniences have long and intensive periods up to the state of saturation. The new system can contribute to the understanding that a durable, intensive, and balanced form of convenience arises from being. Being understands all activities in the forming of and satisfying of the needs. In the first place, it embraces a free decision-making and creative acting in production but also in politics, science, culture, sports and all others forms of activities. The proposed system allows a great opportunity of being in all fields, thus offering the possibility to each individual to ensure the great conveniences of living.

The indirect value of the work advocates the conveniences arising from the consumption of goods produced by work. In their process of defetishization and demystification the system promotes, the goods can quickly satisfy the natural needs of

the individual. The described system of work competition advocates a highly productive form of economy that will bring an abundance of consumer products. The new system of distribution of the means of consumption will enable their use by each and every individual. When an abundance of the means of consumption will be accessible to each individual, it will help the individual to get rid of the alienated idea of power creation by possession of goods. If the supply of commodities exceeds the consumption needs, commodities will lose their alienated trade value. The characteristic of the natural use of commodities is an easy and quick saturation after which further consumption of goods can no longer bring conveniences to the individual.

It should be said that due to the system of work competition, productivity would be much higher than it is today. The production rise in the developed world will by time create general consumers saturation. The consumer mentality will become less pronounced and the society interest in commodity consumption will stagnate or fall. Besides that, we should take into account the process of disalienation of society that will decrease the society's needs for consumption by finding of subsistence values, so that the large production we have today will not be needed any more.

Stagnation in the development of the profit economic productivity in the classical disassociated system of business activity leads to crisis in labour distribution and in the distribution of operating results and, consequently, to the socio-economic crisis. The new socio-economic system will overcome such crisis by a fast and painless labour reorganization and by an additional shortening of necessary work time. Most likely the future will not require more than two to three hours of work per worker per day for the realisation of such a productivity that will satisfy the needs of society. By shortening work time, the inconvenient form of work is reduced even more, while on the other hand the work freedom can provide to workers great working benefits. Then the direct value of work will further grow.

The reduction of working hours does not mean that the system will prevent some are from working as much as they want. Presented is an average quantity of work that will produce rich enough natural standard of living to all of the people. The workers will probably work two days per week and will have a five day long weekend.

Is it possible? Not only is it possible but also a necessity of the future production that capitalism may not be able to achieve at all. Today, many companies spend more work hours searching for products that the market would demand than they do in production. They also invest more work hours in marketing and trading in order to find customers than in the production of commodities. The producers often produce goods without utility value with the hope that they will sell their products with the help of shallow propaganda and low prices. In the market economy, they do not have another choice. They have to produce something in order to earn money for a living. What a senseless waste of natural resources! What a senseless life!

The future will require and the new system will implement a huge rationalisation of natural resource spending. It is possible through new inventions, better organisation of work, and by the change in human needs through the process of disalienation.

It may be expected that in a technologically more developed production most workers will experience more and more conveniences at work, and in order to increase their work competitiveness will reduce their current work price, and therefore income. When the overall working interest becomes greater than production needs, the entire population will vote for increasing the minimal income of workers in order to diminish the income-based interest of employment. A more sizable competition-related reduction in the current work price will no longer be able to lower the income, and therefore the worker's coefficient of responsibility will form a stronger work competition power coupled with productivity.

The increase of minimal income will proportionally lower other incomes because the amount of money for all the incomes of population is limited. A decrease in the difference among the workers' incomes will have no impact on the private holding of past labour points. The individual's quantity of past labour points will remain untouched in the ownership of each inhabitant, as a demonstration of individual productive power.

The higher coefficient of responsibility will further largely increase the quantity of past labour points of workers in the case of either individual or collective rise in productivity. In the case of a fall in workers' either individual or collective productivity, workers who express a higher coefficient of responsibility will be sanctioned to a larger extent by a reduction in the quantity of past labour points. It is already presented that the system will direct each individual to form their natural needs within the limits of their own possibility of realization, which ensures the realization of envisaged productivity. That is also the basis of constructive social orientation.

The market economy adopted by this system will not be able to envisage successfully the social needs enough. The production economy that does not find demand for its products incurs losses. In the described system the issue of producers' responsibility will tighten, because the losses in the economy will be sanctioned by past labour points. For this reason, the economy will have to gradually search for a more secure form of business activity and will find it in production for the known consumer. Even today, for special and expensive forms of consumption, production is formed according to consumer orders.

The new system envisages collective social consumption as consumption according to consumer orders. In order to accomplish an even more stable business activity, the associated economy can gradually request from the population to plan and order its special material needs. Production according to consumer orders would gradually create a democratic planned economy, which would no longer be able to create disinvestments and thus incur losses. Such an economy would bring stability and prosperity to the society.

Assets intended for profit economic development will be determined at the level of the commune, state or at world level according to direct democratic principles. In this way, all communes of the world will be given an opportunity to exert influence on the formation of the funds intended for profit economic development and will exercise the right to their use by their competitive ability in performing the business activity.

Economically developed parts of the world will sooner or later register a drop in consumer needs due to a general saturation, which will decrease the demand for cash assets intended for profit economic development. The decreased interest in profit economic development on the part of developed countries will simplify the access for developing countries to access the world's collective cash assets intended for profit economic development. As time passes, developing countries will also develop to the state of consumer saturation. The world market, saturated with products of work, will diminish the need for profit economic development and, accordingly, the demand for money intended for the development of the economy. The world population will then vote for smaller appropriations of money for this purpose. It may be expected that at a higher degree of profit economic development of all mankind, assets intended for the development of market economy, as a form of large-size consumption will tend to zero.

However, the society will always have a need for developing its own production, which will require work and money. Money needed for economic development can be later earmarked from the fund of collective consumption money. Economic development in a developed society will no longer depend on the market, but on the production plan.

Once the assets intended for the development of the market economy tend to zero, the society will, to a larger extent, earmark the assets for consumption. It may be expected that the population saturated with individual consumption, and aware of the collective consumption rationality, will earmark a large portion of assets used for economic development for the collective consumption.

A larger amount of money intended for collective consumption will enable a larger, higher quality, and generally better collective consumption. The purpose of money assets for collective consumption will be determined directly by the population, by spilling over the assets into funds of their own interest. Certain funds that receive a larger amount of money will develop more the specific forms of collective consumption.

It may be expected that at some point in the society's development, certain amounts of money will, due to general saturation, remain unused in certain forms of collective consumption after meeting the specific purpose of consumption needs. Such money can gradually be used on the territory of the commune for the introduction of certain free-of-charge commodities that will be distributed to the people.

As free-of-charge or subsidized health-care and education already exist in the world today, it will be also possible to introduce free consumption of goods and new services. The distribution of free commodities is not an unknown event even to capitalism. For example in Toronto, the daily newspapers "Metro" is distributed free of charge. The

purpose probably lies in the distribution of capitalist propaganda. Why would the free of charge distribution of goods not be possible in the new system? Free distribution should, in the first place, include goods and services inevitable for each inhabitant, such as food and transport, and then other forms of consumption as well, with which the market is saturated and can always satisfy the demand for.

The producers of free of charge goods will automatically become non-profit companies. Until that time, the system will already have equalized work and all values arising from work in non-profit and profit companies. The introduction of free-of-charge commodities does not mean a determined distribution of the means of consumption where each inhabitant would get a certain quantity of goods, as this is the most primitive form of consumption and represents a violation of inhabitants' needs. It understands a free distribution of commodities where each inhabitant will freely use them according to their own needs.

The introduction of free-of-charge consumption in no way means a fall in the quality of products, as is the case in the well-known socialist forms of collective consumption, because all work posts are subject to work competition in the function of productivity expressed by the quantity and quality of products, and by responsibility in terms of income and past labour-based points.

It may be assumed that the implementation of the introduction of free-of-charge commodities will begin on the territory of the most developed commune from the surpluses of the collective consumption fund in the commune. The leaders of the communes can, on the basis of social needs, accept jointly financed goods from the fund of collective commodity consumption. Then, goods will become available free of charge to people. Members of families do not charge each other for goods and services. It is about the whole world becoming one big family and that is what this book is about.

Collective commodity consumption and work competition will enable an expanded construction of all facilities necessary for the society, as well as their maintenance. The proposed system can ensure to each inhabitant the utilization of any housing premise if they are ready to pay the competitive rent. It may be assumed that over time some individuals with lower incomes will be able to lease more valuable housing premises if they deprive themselves of some other form of consumption. Such a possibility will contribute to the demystification of real estate value, or it will enable each individual to establish on the basis of their own practice the limits of natural needs in using the real estate. The use of large housing requires a lot of maintenance time against the opportunity of finding the power of Being in the rich social relations the new system offers. Moreover, with the decreasing difference among the levels of income, the difference among possibilities of rent paying will also decrease. Uniformity in the level of payable rent for housing will require the construction and adaptation of real estate of uniformed optimal values so as to have a uniform demand established.

A surplus of housing space can appear in such a system. The surplus of housing space does not have a trade value. As all housing spaces will be characterized by uniform

high quality standards, it may be expected that apartments will lose their trade value. It may also be expected that in the developed world, rent on account of using real estate might tend to zero. In the exceptionally developed society where a surplus of housing space will exist, distribution of the real estate can be performed by mutual agreement among inhabitants. Past labour points will ensure a responsible behaviour of users toward real estate.

Once the society overcomes the need of presenting the alienated form of power by the possession of goods, it can expect to earmark increasingly large amounts of money for collective commodity consumption and decrease the amount of money intended for individual consumption. An understanding will be formed in the society that collective consumption is more rational both in terms of the degree of utilization of goods and consumption of natural resources.

I repeat, the drop in inhabitants' income does not bring into question the quantity of past labour points held by citizens. The quantity of past labour points of all workers in the commune is equal to the level of the commune's gross income. The gross income of the commune consists of assets for individual and collective consumption. With the decrease of individual income, collective income will grow. The gross income will remain the same so that the quantity of past labour points, presenting the individual's power in society, will also remain unchanged.

Larger appropriations of funds intended for collective commodity consumption would enable the introduction of new free-of-charge commodities to the point when all collective needs of the society will become satisfied. Funds intended for collective consumption can then begin covering the costs of specific material inhabitants' needs.

The system will develop the awareness that larger than normal consumption would not be necessary for the individual, and would thus not represent value. However, the system needs to be strong enough to satisfy the inhabitants that would still have alienated material needs, irrespective of the fact that possession as such would not be a value in the society. The system will perhaps develop such social awareness that will portray possession as a negative trait of the individual's character, and such orientation would be shameful and sanctioned by bad assessments of the remaining population. However, if the system fails to meet the alienated needs of individuals, it will have to bring to a halt the distribution of free-of-charge commodities.

However, the contribution of such a system lies in the elastic possibility of shifting away from the rigid capitalist form of production and distribution, where each work and commodity is directly charged for, to a completely free form of production where work and commodities distribution is carried out according to the needs of the population. The system can stand any oscillation in the social needs, including the return to charging for all commodities and services without any crisis, by immediately following the needs of the society.

If society would form natural material needs, then even the present-day economy in the developed countries could easily meet them. In such a society, the distribution of material goods could no longer be the basis for conflict in the society, as everyone would achieve in the distribution a share according to their own needs. The individual would then lose the need to possess goods in favour of the values of Being arising from the work and the rich relationship with the society and nature.

When collective commodity consumption manages to satisfy individual needs of inhabitants, then the income as a purchasing power of inhabitants would lose its significance. Naturally, work will be necessary further in order to maintain or increase the social standard. Work will survive because it will become a value in itself. The work organization will be strictly determined and will be, therefore, performed by management. Work obligations will always be assumed by work competition in the function of productivity and responsibility by past labour points. That will force the most productive producers to agree on the mutual production processes strategies. The work competition may develop to the point where associated producers will assume responsibility for the general satisfaction of all social needs.

When income starts losing importance, responsibility will be borne only by past labour points. Responsibility will be established by mutual assessment of inhabitants. The system necessarily requires and enables to the population a ramified system of assessment of the production quality of goods and services. Each positive assessment of a worker, their enterprise or a commune received from any inhabitant, consumer association, assessment or arbitration court will increase somewhat the total quantity of past labour points of workers. In this way, the productive expression of power against another individual will increase. And vice versa, a negative assessment would burden the inhabitants, enterprises, and communes according to the degree of responsibility established directly by the population, consumer association, arbitration or assessment courts. Sanctions will be carried out by subtraction of past labour points in the function of the received assessments and coefficient of worker's responsibility.

Such a system of valuation of conveniences and inconveniences may form natural norms for the relations in the society, which will to great extent replace the alienated normative decisions that govern the relationships of society by laws and regulations. Mutual assessment will form new unwritten rules of social relations, which will cover each pore of social behaviour, and the society will in this way achieve greater benefits and prosperity.

When the income of the population becomes abolished, past labour points will remain as a form of the individual's guarantee to meet obligations, as a factor of work competition, and measure of the individual's existential power.

When the demand for work as a form of manifestation of the power of Being becomes larger than the supply, then individual income, or ownership as an alienated form of the individual's power, would lose sense and the income function in the sense of presenting productive power would be taken over by past labour points.

Work competition could over time provide an opportunity for a general work freedom of workers. Or differently said, workers could at a certain degree of production development choose work posts and working hours according to their wishes and possibilities in agreement with other workers. This is possible to achieve by automation of production by way of computer technology that would replace forced and inconvenient work and form suitable work based on individual, creative and constructive approaches, as well as relaxing work.

If coordination of activities without force is established and the needs become satisfied in this way, income would fully lose its importance, while the usable value of work as a manifestation of workers' existential needs would remain. Once the work stops conditioning the material remuneration, and starts basing its existence on the satisfaction of free manifestation of existential needs, then free work comes into being and becomes a really direct value.

It may be supposed that in such a system income as a form of individual purchasing power would by direct voting of the population be equal to zero. The system would then achieve a free-of-charge production of commodities.

Monetary assets would then no longer have the function of establishing payment transactions, but would further serve as a means of direct voting of the society in regards to individual and collective needs. The money would then be a coordinator of homogenous developments in the society rather than a symbol of alienation separating the community of people. Then the relation of the individual toward another individual would no longer be the relation of commodities, but the essential relation that suits the individual's natural needs.

In such a system, all cash assets would be intended for collective consumption. The collective consumption will by direct vote of inhabitants be established at the level of the commune, republic, and the world. According to what has been said so far, it may be assumed that at a certain degree of development in the society, each consumer will be able to plan and order themselves the specific means of consumption. However, it is not realistic to expect that each inhabitant will have a need in determine all forms of consumption that will be necessary for them, because such a list may be too extensive in detail. Each inhabitant can, by the quantity of money intended for certain forms of collective consumption and on the basis of their own experience with the supply influence on the partial and global supply of the work products.

The overall consumption in the society can be directed by the funds of collective commodity consumption. The amount of money would further correspond to the overall value of goods, and all products would preserve the price set by agreement. The total amount of money and the price of commodities will serve as an instrument for the democratic orientation of production. The limits of money distribution are determined by the consumption practice with corrections made by the leadership of the commune, state and world. Within such limits, the population directly exerts impact on the distribution of money. The influence is performed by way of the spill over of money into

funds more necessary for the collective consumption of the population. The richer funds will indicate to the leadership the orientation of the consumption interests of the population. More work will then be oriented to the field of such specific interest, in which way social needs will be satisfied. Further, each inhabitant can participate as well in the partial form of distribution of any fund up to the level where they will find its interest. Such money will be necessary until the point where the society will discover a more perfect method of coordination of its collective acting.

The proposed system enables the permanent coordination of a free system of production and distribution. The system has an infinite number of variants that may influence the social life and consciousness of the individual so that each individual in the society can achieve a broad prosperity. It is also worth mentioning that the formation of a free-of-charge production and consumption is not the purpose of the proposed system, but the seeking of natural relationships in the society that such a system enables. The system will overcome antagonism among the people as the result of alienated needs, values, and actions. The highest value of the proposed socio-economic system lies in the possibility of creating natural and harmonious social relations that will form natural needs and values.

In such a system the individual will find new interests in the outer world and in their own spiritual development. The individual will then have much free time to dedicate to themselves, the society, nature, work, arts, science, culture, philosophy, sports, entertainment, relaxation. A new sort of ethics will be formed, where the individual, perhaps, will need neither to be used for assessing another individual nor be assessed by any individual. Once the individual stops creating needs by comparing themselves with another individual, they will then come closer to their own nature, and will form the kind of relations with nature and society that suit their own nature.

Past labour points may be the last alienated form of manifesting the individual's power, which the individual will overcome by finding the values in them themselves and in their environment. Once the individual will have come to know their own paths, they will not have to go anywhere in searching for what they need, because all they need will be in their immediate environment, or even closer - in themselves. The most important reach of the individual's creation is they themselves. They get to know and develop themselves, their ideas and feelings. The more they get to know themselves, the more able they are to build harmony with the environment, the closer they can come to another individual, the more easiness of living they can find, as well as freedom<sup>17</sup>, peace<sup>18</sup>, joy<sup>19</sup>, love<sup>20</sup>, wisdom<sup>21</sup>, a long and good-quality life they will have.

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<sup>17</sup> Let's be free, Aleksandar Šarović, [http://www.sarovic.com/2005\\_07\\_06e.htm](http://www.sarovic.com/2005_07_06e.htm)

<sup>18</sup> Let's prevent wars, Aleksandar Šarović, [http://www.sarovic.com/2005\\_02\\_04e.htm](http://www.sarovic.com/2005_02_04e.htm)

<sup>19</sup> Humanism is the Joy of Living Aleksandar Šarović, [http://www.sarovic.com/humanism\\_is\\_joy.htm](http://www.sarovic.com/humanism_is_joy.htm)

<sup>20</sup> Do you love?, Aleksandar Šarović, [http://www.sarovic.com/do\\_you\\_love.htm](http://www.sarovic.com/do_you_love.htm)

<sup>21</sup> Wisdom, Aleksandar Šarović, <http://www.sarovic.com/wisdom.htm>

## Definition of Terms

**Coefficient of responsibility** – represents an element of the competition expressed by independent bids of workers by means of a certain value in range between 0.1 and 10 in the new system. A higher value forms higher responsibility and provides a stronger work competition of workers for each work post. A higher worker's responsibility for their own and collective productivity will, in the case of a rise of productivity, bring a higher income and a larger share in the distribution of past labour points. In the case of a fall in production, the greater responsibility will result in more austere sanctions in the form of lower income and subtraction of a quantity of past labour points determined by the system.

**Coefficient of envisaged productivity** – presents the ratio of the envisaged and existing productivity in any magnitude, such as cash gains on the market, quantity and quality of products or the assessment of success in business activity. Workers proposing coefficients of envisaged productivity higher than 1 (one) forecast a rise in productivity and realize in that connection a higher work competitiveness and greater rights to employment at a desired work post.

**Coefficient of realized productivity** – shows the ratio of the realized and envisaged productivity in any magnitude, such as cash profit on the market, quantity and quality of products or the assessment of success in business activity. The workers accomplishing a coefficient of realized productivity higher than 1 (one) did accomplish the rise in productivity and will accomplish a higher income, and vice versa.

**Current work price** – presents the value that is inversely proportionate with direct labour value. It is formed by the direct bid of each worker in the range between 0.1 and 10. Work realizing a smaller direct value, or a more difficult, more dangerous, dirtier work will require a higher current work price, and will ensure a larger participation in the distribution of collective operating results, and vice versa. The objectivity of the current work price is ensured by the work competition.

**Democratic planned economy** – advocates production planning based directly on the specified consumption needs of all inhabitants.

**Democratic anarchy** – represents a new form of social relations where each inhabitant exercises equal legislative, judiciary and executive power in the society. Equality is manifested in the equal right of inhabitants to assess the doer of any activity in the society. Positive assessments need to somewhat increase the income and quantity of past labour points of the person assessed. Negative assessments need to sanction the assessed worker by a small decrease in, and subtraction of a small quantity of past labour points. When each inhabitant has the right to make assessments freely, regardless of any written rules, such democracy represents anarchy. Democratic anarchy will force each inhabitant in the society to achieve as many conveniences as

possible and the least possible number of inconveniences in the society in the broadest sense, which represents base of a productive orientation of the society.

**Direct democracy** – is a form of democracy where each inhabitant directly and without any intermediary decides on any issue in the society that concerns their interests. This is feasible to achieve by filling out internet applications. The statements of a majority of inhabitants in the function of their voting power, established by the holdings of past labour points need to either ratify or reject the prepared decisions and thus determine the rules of joint activity. The population will directly tailor the macroeconomic policy of a commune by distributing the collective money for the needs of economic development, individual and collective consumption, and all partial forms of distribution. The sum of statements of all inhabitants in the function of their voting power determined by past labour points would form the framework of the business activity.

**Direct value of labour** – shows the conveniences and inconveniences that each work form brings directly while lasting. The new system proposes a scale for measuring direct value of work in the range between 0.1 and 10. A lower direct value will be realized by a less convenient work. Direct value of work is inversely proportionate to current work value. Inconvenient work will require a higher current work price and, accordingly, a higher income, and vice versa. The objectivity of statements will be established in the way that the right to work will first be exercised by a worker who in addition to equal productivity, envisages a higher direct value of work, or a worker requiring a lower income.

**Free-of-charge consumption** – envisages the consumption of the population not directly collected from consumers, but financed by the fund of collective commodity consumption. The population directly determines the quantity of money intended for the collective consumption and its purpose.

**Humanism** – is a new form of socio-economic formation in which the individual is a basic measure of value. Humanism replaces the political and economic elements of capitalism, and enables further development of the society. Humanism creates compromises that equally suit all members of the society and for this reason all society members accept it equally by their own wills.

**Humanistic form of ownership of the means of production** – is a form of a shareholding social ownership of the means of production on a certain territory. Each worker participates in collective ownership to the extent to which they have contributed together with their predecessors to the creation of such ownership with certain ethical-social corrections. Participation is defined by past labour points. According to its constitution, the system corresponds to the capitalistic form of shareholding, but incorporates in the ownership all of the inhabitants according to the jointly accepted humanistic criterion, because all inhabitants contributed by their past labour to its creation.

**Indirect value of labour** – is expressed by the value of goods produced. A higher indirect value of labour is realized by producers of the commodities having a higher trade value in the society. The trade value of commodities is determined by the price of commodities on the free commodity market. One can say that in such circumstances the price of commodities determines the price of work, or the entire indirect value of labour.

**Past Labour Points** - show how much each person has contributed to creating value in society. The quantity of past labour points is proportional to the value of the person's total work contribution and the heritage of their ancestors' contributions in the creation of joint ownership of the commune. A larger quantity of past labour points will bring a higher income and greater voting power to a individual in society. Such profit and decision-making power is something similar to the share system of capitalism but differs from it in certain technical, social and ethical elements.

**Past Labour Value** – is analyzed only indirectly via past labour results. Such value is established by past labour points.

**Work competition** – represents a new form of labour distribution in the system of humanistic form of ownership of the means of production. Each work post in public companies will be occupied by the worker who by their own statement proposes the highest productivity, the highest responsibility and the lowest current work price expressed by coefficients. Such a form of labour distribution advocates the market principles of business activity, but enables the transition to a democratic planned economy.

**Work price** - represents the product of past labour value expressed by a quantity of past labour points, and the current work price of workers. A larger quantity of past labour points and a higher current work price will realize a higher income, and vice versa..