

## **PART TWO: CO-PRODUCTION: EXPANDING THE ECONOMIC UNIVERSE**

### **CHAPTER 4 BEYOND ECONOMIC ORTHODOXY**

Social programs are regarded as necessary evils: creating dependency, and requiring public money from those who produce wealth (taxes)

Breaking Out – First Steps: the modern concept of “work” excludes family, community and democracy; “money” drives “market”, assigning a high value to things that are scarce and a low value to things that are commonly available.

Returning Economics to Oikonomia– the Greek word for management of the household, including kinship, neighbourhood and community. The monetary system was seen as one of acquisition; the household as the core system for production and consumption – now known as the “non-market economy”. Economists fail to confront the extent of the subsidy the market has extracted from the non-market. External costs (externalities) are often ignored (e.g. manufacturers create pollution while inflating their profits).

A Win-Win Economics: Elevate the non-market economy to an appropriate status of parity vis-à-vis the market economy, e.g. merchants giving discounts to Time Dollar members provide a market incentive for labour done in the non-market economy while expanding the market for their own goods and services. Non-market growth can then spur market growth.

### **CHAPTER 5 OIKONOMIA**

The World Beyond Market: The non-market economy supplies the fundamental substratum upon which the entire market economy is built. Efforts being made to strengthen the non-market economy. The market’s methods in this bring the same flaws that have produced failure in the market economy. Therefore Co-Production must be part of such efforts.

The Second Economy = Home. At least 40% of all economic activity takes place outside the so-called market economy in industrial and post-industrial economies. Interdependence is key. No society, no matter how rich, can afford to buy at market prices those things that home and family and neighbourhood supply: love, caring, wisdom, culture, knowledge, and 24-hour, 7-day-a-week support. Small investments here can leverage profound changes.

### **CHAPTER 6 THE NON-MARKET ECONOMY: MORE THAN EQUAL**

The old operating system worked as well as it did because it was heavily subsidised by the subordination of women and the exploitation of minorities, immigrants and children – free and cheap labour. We are currently trying to fix today’s social problems by using professionals and money in the market economy.

Fatal Flaws in the Market “fix” – Monopolies; Imperfect Information; External Costs; Undervalued Social Benefits (public safety, clean air, disease control)

Co-Production’s remedy: Pay for what you get by contributing what you can. No more free rides.

## CHAPTER 7 THE DARK SIDE OF THE FORCE: THE EXTERNAL COSTS OF MONEY

Money has become delinked from value: between 80 and 90 % of all the money made in the world has nothing to do with producing goods or services, or buying capital equipment to produce goods or services. It is money making money off money.

Money's external costs:

1. All-purpose purchasing power – including harmful things; but not love, family, caring, friendship
2. Money's superior mobility – it flows with centrifugal force – away from community and toward optimal return – shareholdings, stock prices and management compensation
3. Motivation – people rely increasingly on money as the criterion of value; profit maximising; rewards specialisation
4. Money as egalitarian – this theory is not working – disparities of wealth have increased exponentially
5. The invisible hand of price – price will always devalue the universal assets upon which the non-market economy relies: collaboration, cooperation, sacrifice and altruism
6. Money as efficient – it measures profit, but: Equity? Value? Beauty? Justice? The environment? Family? Neighbourhood? Community?
7. Money makes money - around-the-clock gambling in a global casino: 80% not producing goods and services
8. Money's superior enforceability – designed to permit one to break one's word if one can find a more profitable deal
9. Money as the measure of value – but no longer tied to the gold standard; just paper, and numbers in computers; it has been delinked from the creation of value.

The ultimate cost of money is the prison we let our minds build for us.

## CHAPTER 8 THE CO-PRODUCTION ANTIDOTE

Time Dollars have a different genetic code from money, and can counter each of the adverse social consequences of conventional money.

1. All-purpose purchasing power – Time Dollars can't buy everything – but helps to create a kind of self-sufficiency
2. Mobility – Time Dollars stay put in the community, creating a kind of safety net, a buffer against vulnerability
3. Motivation – Time Dollars reward caring and decency

4. Egalitarian materialism – we need some elitism based on contribution, morality and integrity.
5. Price – those with greatest need should get a priority, and those who contribute by helping other should get a priority
6. Efficiency – money is singularly inefficient in bridging the divide between the haves and have-nots
7. Money makes money – Time Dollars generate no interest – but they are inflation-proof
8. Superior enforceability – Time Dollars are not backed by legal rights and obligations, but by a promise, by trust, by a moral principle of reciprocity
9. All-purpose measure of value – the value of helping another is not measured by market wage; and one's own value, as a human being, is not measured by marketable skills

## CHAPTER 9 MASTERING THE RULES THAT GOVERN THE RULES FOR CHANGING THE RULES

Co-Production is really a call for restoring balance – between the two economies, market and non-market; and between the two sides of our nature, competitive and cooperative.

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