

What is Your Occupation?

Meditations on and Mediating the Corporeal Self and Corporate Society

While it is natural to explain social issues in the general context to which they relate, the result is usually that the conversation goes in circles or divides into opposing sides. I think that to really peel away the processes at work, we should examine what is going on from the perspective of basic physical processes. As Newton said; "For every action, there is an equal and opposite reaction." We need to understand what compels our actions and what the reactions will be, if we are understand where humanity is going.

At its most elemental, reality is energy and energy is motion. It is even the root of emotion. Feeling, seeing, moving, thinking, etc. all require activity. Religion tells us God is an all-knowing absolute, but the absolute is equilibrium. Zero. All action balanced out. The big flatline on the universal heart monitor. Motion is a breaking of that balance. Positive/negative, attraction/repulsion, expansion/contraction, good/bad, up/down, left/right, forward/backward, past/future. The spiritual absolute isn't an ideal from which we fell, but the essence of being from which we rise.

Without motion, nothing exists, but with motion, nothing exists forever. This energy creates, but it also consumes. The forms, structures and information define the energy, as the energy manifests this order. The future is this raw energy moving on, while the past is the defining structures. Our awareness is like that energy moving forward, while thoughts are the mental structures forming and receding in its wake.

Over eons life has evolved increasingly complex structures. While we think of modern society and its technical advances as unprecedented, biology evolved equal, if not far greater levels of complexity many millions of years ago. Much of our social and many of our technical structures naturally mimic these biological processes, yet the biology is far more evolved.

The essence of human civilization is the creation, organization and storage of information. The problem is that information tends to be static. It holds and binds the energy required to maintain it. This sets up a conflict between the dynamic energy and the static information, so the system develops methods of resetting and erasing excess information. Biology does this by individual organisms dying, as the species regenerates. Bodies are processes in themselves, as generations of cells are formed and shed. As our social institutions build up legacy costs, they also find themselves losing ground to less burdened, more dynamic entities. So there is a constant churn of structures building up and breaking down.

We think of time as proceeding from past to future, but that is relative to events. Alternatively it is that these events go from being in the future to being in the past. That timeline of past to future is our subjective perception of the changing configuration of what exists, turning future into past. Probabilities collapse into actualities.

While individual entities view time as linear, since they encounter a series of events, the larger network of activity is non-linear. It is a tapestry of interlocking activity, rather than a singular thread of events. In this larger ecosystem, individual entities and organisms survive and thrive through all number of strategies: Large, small, nimble, dangerous, herding, mobile, stable, etc. Since the primary requirement is to sustain the energy which manifests them, acquiring and defending this energy is elemental to survival. If resources are abundant, there is no value in storing excess, because predators are also usually abundant and will treat you as a resource, while in situations of scarcity storing is necessary and there are fewer potential prey to support many predatory species. Such balancing of possibilities is endless and extremely subjective to circumstances.

Humanity has proven to be very adept at this game of controlling input, but is starting to drown in its own excesses and effluence. Society has evolved its own internal ecosystem, commonly referred to as the market. In this economic ecosystem there have developed a wide variety of organisms, from individuals, to many forms of corporate entities, to countries functioning as coherent units within the world economy. Just as biology has developed any number of interlocking strategies, from mutually beneficial, to predatory and parasitical, so too have the markets. The issue now is how to convert a process which has been often parasitical or predatory to the larger ecology of the planet, into one which might be more mutually beneficial, or at least more stable and moderate in its resource consumption. This will not be easy, since the entire history of human progress is defined in terms of growth and expansion, both against nature and each other. The times of relative stability get

minimal mention in the history books. We don't want to stop this dynamic, but need to find ways to create positive feedback loops that don't destroy more than they create.

Just as individual mobile organisms evolved central nervous systems in order to navigate complex environments and respond to circumstances, groups of people develop governing structures in order to coordinate their responses to situations they encounter. This requires a conceptual frame to define the purpose of the organization and instill allegiance, such as religious texts, national constitutions, or even company mission statements. Goals, group narratives, external adversaries, etc. are some of the many incentives to keep the group cohesive. There are many equally powerful influences both internal and external, trying to break down such organizations. Even conflicts between keeping them together and continuing to fulfill original purposes can be rending, as management and vision clash.

The problem here is that we tend to think of good and bad as an issue of black and white moral clarity, even if the details are usually messy and unclear. While we instinctively think of good and bad as ideals, they are really the primal biological binary code. Life is attracted to the beneficial and repelled by the detrimental. What is bad for the chicken is good for the fox and there is no clear line where the chicken ends and the fox begins. Between black and white are not just shades of grey, but all the colors of the spectrum. While it's bad for good things to come to an end, it is necessary to having good things in the first place. The price we pay for being able to feel in the first place, is that a lot of it is pain.

What Newton forgot to add was that while the action is linear, the reaction is non-linear. When a ship moves through the water, by the water moving out of the way in front and filling in behind, it causes an equal amount of water to move in the opposite direction. As we move through life, there is a similar response. No matter how much we disrupt things, nature is always finding ways to balance our actions. There are consequences to consider when we are moving; The faster we go, the less able we are to maneuver and the greater damage when we encounter the unexpected. Going slow limits our access to new environments, but strengthens our connections to the one in which we exist.

In the world today, there are quite a few national, corporate and religious institutions with far more built up momentum than responsible and truly knowledgeable leadership. At some point these entities are going to crash into each other and various external limits. The question will then be as to what emerges from the resulting chaos. What basic lessons can be drawn that might foster a more stable, resilient and less destructive society?

Human nature is such that we will always be looking for a way to grow and progress and will do so with whatever resources are at hand, whether it be scratching two sticks together to make a fire, or building vast structures and societies. In order to do so, we need two things; Organization and energy. Within the biological body, there are two systems to enable these functions. The central nervous system processes information and organizes responses, while the circulatory system enables energy collected by the respiratory and digestive systems to be effectively transmitted to where it is most necessary. Within society, these systems are mimicked by government and finance.

In small communities these functions operate largely as organic traditions of authority and reciprocity, but as populations grew, the traditions became institutions and conflicts between vision and management became equally large. To minimize conflict, systems evolved to fill these functions. Religion became the institutional vision, while government became the institutional management. Finance was largely a function of these two traditions for much of history, with religion in charge of social reciprocity and government enabling and protecting stable markets and providing currencies.

As monarchical hierarchies transitioned into various forms and degrees of public governance, finance naturally became part of the market system which it enabled. A market needs a medium of exchange, i.e. a common currency and a system to enable the efficient transfer of this currency. If those managing this system do not understand their role as facilitators of the market to serve the larger community and simply use their positions to enrich themselves, then they are no longer efficient. Much as monarchies lost sight of their roles as serving the larger society and became inefficient managers of government.

As a medium of exchange, money is mistaken for a commodity in itself, but it is more of a contract. It is a promise of value, rather than a store of value. It is the guarantor of that currency which is the actual store of value. The guarantor is not simply the entity issuing it, but all parties and the value they represent, who are willing to trust and trade in that currency. The more people using the currency, the more that must be issued to

maintain a stable value. Since it has been historically difficult to determine how much currency the economy needs, a system evolved where money is borrowed into existence. This works fairly well, as debt tends to track economic expansion, but it's not perfect. For one thing it encourages growth over stability, since the economy has to expand to pay off debt and debt grows to finance the expansion of the economy. When more debt accumulates than economic growth can support, defaults occur and that amount of presumed wealth vanishes. Speculative bubbles develop when money can be borrowed into existence cheaper than asset prices are appreciating, which further drives up asset prices, creating a feedback loop.

To the banking system, money is a commodity that is manufactured by creating demand for it. Therefore it is in the interest of banks to create as much debt as possible, but there are limits on how much debt the economy can support, so there is a finite amount of notational wealth that can be sustained in a healthy economy. We lose sight of this, when everyone wants to save as much money as possible. The theory behind supply side economics is that the more notational wealth that can be accumulated, the more capital there will be to invest and expand the economy, but it is demand for goods, the supply of resources and the ingenuity to match them that really determines how much the economy can grow, not how many units of otherwise underemployed currency are available.

In the early 1980's, Paul Volcker was credited with bringing inflation under control. As Federal Reserve Chairman, Volcker's main tool for reining in the money supply was to raise interest rates and make money more expensive to borrow and thus reduce the amount going into the economy. He could also draw money out of the economy by selling government bonds that were bought by the central bank to create money in the first place. The logic of this is problematic though, as higher rates punish those who want to borrow money and reward those with money to lend. This has the perverse effect of trying to solve an oversupply of capital by raising the cost and reducing demand.

It also happened that around that time, Ronald Reagan was elected president and initiated what came to be known as Reaganomics. This was to cut taxes, increase spending on the military and borrow lots of money. To the extent the tax breaks were spent, rather than saved, it increased demand for production, helping the economy to grow. What is overlooked is that the large amounts of government borrowing served to increase the demand for capital. Since the Treasury sells far more new debt than the Federal Reserve sells of what it is holding, this government demand for capital had to be a significant factor in bringing inflation under control. Not to mention that spending the borrowed money served as a Keynesian stimulus to the economy, further increasing the private sector demand for capital.

By the Fed's own logic of selling bonds to reduce the money supply, a surplus of capital is in the hands of those with a surplus of wealth. Having the government borrow this surplus in order to spend it is not a strategy that works for the long term, since the interest paid adds to the oversupply of excess capital, while eventually reducing the ability of the government to spend on public investment. When the government spends money, it is to support a functioning society and economy and the only way to realize a gain from that investment is through taxation. Since the primary way for government to raise the money to pay off loans is through taxation, does it make sense to buy government bonds, then lobby against taxes, other than to game the system?

What the people in charge came to understand is that lots of money can be created, without causing general inflation, if it can be largely kept out of the regular economy. While a lot is loaned back into the economy, much is cycled within the banking system. All that "liquidity," as derivatives, securities, off balance sheet vehicles, etc, is mostly just chips in the casino. It is a very delicate balancing act of enormous notational wealth, that amounts to a large tumor on the real economy. The issues affecting the financial system are like symptoms of coronary disease; An overtaxed heart(central bank), patched together main arteries(big banks), clots and clogs in the minor ones(corruption and misallocated resources), high blood pressure(quantitative easing), but poor circulation in the extremities(rest of the economy).

This isn't just the fault of those controlling and profiting from it, but is the current financial model being carried to its logical extremes. Money is commodified trust and it has been both the vehicle for powering human civilization to its current heights and what is now driving it over the edge. If we collectively make more promises to ourselves then we are willing and able to keep and hire the politicians and financial managers opportunistic enough to voice those promises, we will eventually be quite disappointed.

Except in small amounts, money can't be saved by simply putting it in storage. If lots of people put it under their mattresses, more would have to be issued to keep the economy going, then people would start to

realize there is more supply than demand and then try to get rid of what they saved, crashing the system. So it has to be kept in circulation. In order to create interest, capital has to be loaned to someone able to create extra value, both to make it worth their effort and pay off investors. There are limits to how many such opportunities exist, especially if the larger public isn't making enough money to buy many goods. The irony is that when those controlling this system squeeze the incomes of the majority, this lessens the options for productive investment of the extra money they collect, so then they have to lend it back to the public to buy the goods that could not be afforded.

While conservatives observe Social Security simply uses current income to pay current benefits and doesn't actually save any money, this is a good thing. Much as the electrical power system has to use the electricity as it is generated, because the cost of storage is prohibitive, so too is saving wealth complex and expensive. By using the money as it comes in, government is doing what society has done throughout the ages, having the young care for the old, with the understanding they will be cared for in turn. This avoids the expense of a predatory financial system. The mistake with Social Security is not clarifying the process, so that people understand the payout is based on future income to the system, not guaranteed amounts.

Money is a contract. It is drawing rights on the rest of the community. Its value stems from the willingness of the participants in that contract to honor it. Contracts are not owned by any one party. They are an agreement among different parties. To the extent the financial system is the circulatory system of society, money is the blood flowing through it. Its effectiveness is dependent on its fungibility. We no more own the money in our pocket, than we own the road we are driving on. Yes, we are in sole possession of any one spot on that road at any one time, but its value is due to the connectivity with all other roads. We own our cars, houses, businesses, etc, but not the roads connecting them and no one cries socialism over that. We have to think of money in the same way.

If people understand that money is a form of public utility and not actually private property, then they will naturally be far more careful what value they take out of social relations and environmental resources to put in a bank account. This would serve to make people's own self interest a mechanism to put value back into the community and the environment and allow more organic systems of economic connectivity and reciprocity to grow, as well as reduce the power of large financial and governmental systems over our lives.

There have been discussions and proposals as to how to structure a better monetary system and one popular proposal is to combine the Treasury and the Federal Reserve system and have the government spend money into the economy directly, by paying for public works with new money, rather than this roundabout way of having the Fed buy government debt as the basis of the currency. The fact is that as an obligation, money is inherently a debt, a promise of value to be returned. Even a gold based currency is just debt denominated in gold, as in; IOU one ounce of gold. So unless those commitments are made as viable investments with potential long term return to society, the result will be another form of bad debt and it will also collapse. Governments have an inherent tendency to make more promises than can be kept, so giving politicians the ability to create money by spending it into existence is an idea that should only be considered with the strongest of reservations. The current system seems designed to create excess debt anyway, since it budgets by putting together enormous spending bills, adding enough extras to get sufficient votes and then the president can only pass, or veto it in whole. Budgeting is to list priorities and spend according to ability. If the government actually wanted to budget, these bills could be broken into their various line items and have every legislator assign a percentage value to each one. Then reassemble them in order of preference and have the president draw the line at what is to be funded. This would create a system of actual budgeting, as well as distributing more power over the entire legislature, rather than having most of it accumulate at the top. This makes prioritizing a legislative function, with the president as the one responsible for the level of spending. As Truman might have put it, "The buck stops here."

This system would result in a smaller money supply and less federal money going to local projects, but if there is a community public banking system, which funneled profits back into the public projects within the community being served, rather than having it siphoned off by big banks, to be lent back to the various levels of government and then spent on those same projects, the result would be a more stable and sustainable civic foundation.

Civilization is ultimately bottom up. We can exalt its achievements, but we risk all when we neglect its foundations.