

Bridging The Ideological Divide

How Capitalism Must Inevitably Merge With Socialism

Business Proposal: The Collective Ownership Company

“Fund dreams for a share: The future of crowdfunding.”

Walking the razor thin line between capitalism and socialism, The Collective Ownership Company puts the people in position to pursue their dreams and finance the dreams of others, granting more opportunity for ownership, both of one’s own work and of the dreams one makes possible, than ever before. This is the future of moral investing, bringing capital to the doorstep of all those otherwise stuck in dream mode, opening the doors of popular opportunity and protecting the people from the parasites.

Site Structure and Purpose:

Creators and entrepreneurs seeking investment capital post detailed information on their business concept, or the product or service that they want to develop and sell. This includes a business plan, an estimated timeframe on company/product/project (C/P/P) development and when the first product(s) will be offered on the market, how much of the C/P/P is available for ownership by outside sources through the site (as opposed to how much is retained by the owner-operators) in exchange for how much equity, an open dialog forum, and all other information that may be relevant to investors.

By making an investment, the investor shall thereafter own some percentage of equity in the C/P/P, which will entitle him/her/them to a percentage of the profit produced by the company *after* the C/P/P gains profitability (once it’s officially “in the black”). If the C/P/P fails to gain profitability, a “dissolution agreement” will determine how much of their investment, if any, the investor(s) are to be reimbursed.

Any potential product, service or organization may receive consideration through the website. The breakdown in the ownership of the C/P/P, and what this ownership entitles the owner to, shall be explicitly laid out in the investment proposal. For example, ten people may wish to start a coffee shop, and may wish to first purchase applicable commercial property for the development of a specific custom coffee shop design, and, after extensive research and planning, may arrive at a figure of \$1 million in necessary start-up funds. If those 10 people (owner-operators) each invest \$10k in the proposed company, producing \$100k of the \$1m needed, \$900k is open to investors that like the concept. If those making the proposal suggest a price of \$1k per share, there are a thousand total shares, 900 of which are available to outside investors through The Collective Ownership Company. If/when the company gains profitability, each share will entitle its holder to a commensurate payout in perpetuity (minus any amount of profit that may be invested in expansion and improvement, as laid out in the proposal contract).

Thus, every proposal that is posted to collectiveownershipcompany.com will offer the ability of any investor to own some percentage of a proposed C/P/P in exchange for a proposed dividend paid out at an agreed upon date after profitability, plus other potential benefits as listed (like free coffee!). Investors will thereby be able to invest in making the dreams of creators and entrepreneurs a reality in exchange for an ownership stake. Investors will agree that, by furnishing the funds in exchange for share(s) in the proposed C/P/P, that they'll possess no voting rights or control of the company outside of the agreed compensation and benefits package, unless specifically stated in the investment proposal.

The Idea Crystallizes Through Discourse:

Jesse (a collegiate friend of the author's):

I read the (above) pitch for the project/business supporting platform! Interesting. I do think there are some similarities to some of the others, like Kickstarter and Indiegogo, GoFundMe, or even LendingTree. I'd like to see where you see the differentiation or what's missing in the market.

Also, check out these in particular, as I think they're more similar to your vision:

<https://republic.com/>

<https://www.seedrs.com/>

<https://www.nerdwallet.com/article/small-business/equity-crowdfunding>

Actually, are you familiar with the crypto space much? One benefit a crypto-based funding platform might have is that it would lower the overhead a lot of taxes, incorporating, banks, etc.

I'm a big fan of blockchain overall, of course there are a lot of scammy projects these days, it's very 'wild west' for now. But the tech underlying it I think is one of the most interesting game-changers for society I've seen in a long time.

Also, you might find this interesting: <https://thenetworkstate.com/>

Nick:

Yes, those are examples of the same general idea; I wasn't aware of them. The article from nerd wallet in particular gets to the heart of the matter in defining "equity crowdfunding," and comparing it to "rewards-based crowdfunding," which are the only sites/platforms that I was heretofore familiar with.

The only way I might conceive of my idea as being different is that it would, ideally, be even more transparent about and integrated with the owner-operators. Who owns what and why, the meritocracy related to the equity distribution, would be crystal clear. Maybe it is on these sites... I haven't dug all the way through them yet...

The idea is to have a site that fully integrates with and supports what I call a “Business Collective” in a couple of my books. That is, I believe in entrepreneurialism beyond it being this hip cool techy thing... it’s not about trendiness. I believe in it on a level of *conviction*, and that it’s under-appraised; it’s a natural bridge between capitalism and meritocratic socialism whereby everybody contributing to the economy has an ownership stake in the economy, and the businesses comprising it. From the janitor to the CEO everyone is an owner-operator; no wages or salaries. So a block of equity belongs to the owner-operators, and a block to the crowdfunding investors, with the amount of equity awarded based upon the estimated value contribution of the owner-operators + the monetary value of the crowdfunders.

And I personally believe that this “equity crowdfunding” model has no limits... and can be used to rescue people from being preyed on not just as “employees,” as they’ve now become “owner-operators” instead, but in the residential realm as well; a top exploitative culprit keeping the disparity figures in the globalizing world as ugly as they are. Imagine, say, fifty families crowdfunding a tiny home development project, going in on a collective mortgage to fill any gaps in what they can’t afford directly/immediately through their pooled resources in terms of the total development costs in communities wherein they personally own their own tiny home and the space immediately surrounding it, but where the community owns shared space between, such as the park, community center, business collective etc.

Is there such a thing as a collective mortgage financial instrument? If not, there needs to be...

So, the general idea is to take the crowdfunding concept to the next level, harnessing power in numbers to save people from economic, professional and residential exploitation, such that everything is privately owned through the collective, each person owning their merited piece, blurring the line between socialism and capitalism.

Within the same paradigm, I had an idea in the past that I called the “collective condominium,” because I thought it would work well with a condo, because you can pack so many units into one massive structure, making it conducive to collective investment, development and ownership, as everyone is sharing the fixed costs of the development whilst building their own private equity. For example, 100 families might invest in creating a 100-unit residential dwelling, with the fixed costs of buying the land and building the structure being shared... the idea may still be on my site... it probably is, actually.

So I suppose where my conception (site and business design) MIGHT be different from those that you revealed to me is that it takes the concepts of entrepreneurship and crowdfunding to an ideological level...

I just re-summarized it in my notes thus:

Everyone who invests their time, energy and/or money in a business, residential community, energy production system (to name but three potential core applications) or other product, project or service owns a merited piece of those organizations, structures, products, services and systems commensurate with the estimated value of their contribution.

This “equity crowdfunding” model extends crowdfunding to its broadest possible developmental extent, to an ideological level, where “entrepreneurship,” “crowdfunding,” “collective ownership,” “private property” and “communal property” are rolled into one, thereby using “power in numbers” to strengthen and shield the people from all the ways in which the wealthy and unscrupulous exploit their

division and disadvantage, thereby preventing their oppression through these common forms of exploitation and granting them a level of opportunity heretofore not experienced, bridging the divide between capitalism and socialism.

The other way in which my concept might be different from those that you informed me of is that, ideally, not only would the site serve as a conduit for channeling crowdfunds to startup companies and projects, but it would also facilitate the *formation* of those companies, such that those interested in the model of the Business Collective, the owner-operator equity-sharing model, could find proposals for companies and projects that inspire them and/or match their own ambitions, and use the site to contact whomever has made the proposals in order to join forces and/or make counter-proposals, so that the site (whether "grassrootsinvestor.com" or "collectiveownershipcompany.com" or other) would exist as a hub for finding BOTH fellow owner-operators AND the startup funds. Everything would be laid out in fully transparent detail, as to what is needed by the one(s) submitting the proposal, including not just required funds but sought personnel (owner-operators fitting certain skillsets and experience etc.).

The equity offered at/for every position and investor level amount would be clearly laid out, so that the ownership of the company/project would be built and made contractually clear *through* the site.

P.S.: I don't have much familiarity with crypto currency. That said, I think that it's critical that this concept work *within* the conventional economic and financial systems in order for it to be viable, as funding through cryptocurrencies might make it seem less real or legitimate to the average person, and would thereby limit the involvement and investment of interested parties. Collective ownership has to work within the standard currency system to be as effective, successful and sustainable as possible.

Jesse:

They are called cooperatives.

This one is by far the biggest: (link to a story about "Mondragon" in Spain)

I know very little about them but you might want to learn more about cooperatives in general, including this one, to see what works well and what doesn't. Personally I love the idea of cooperatives. People should own what they work for. Marxist-esque thinking.

Nick:

Yes, I'm familiar with the term. I prefer the term "collectives," which I've been using in relation to the general idea for as long as I remember. I have my own system for meritocratic equity assignment. What needs to happen, though, isn't a sporadic sprinkling of cooperatives here and there... the idea I'm pushing for with the site I envision is an integration of multiple concepts; an overlap of the cooperative/collective and crowdfunding models, as well as collective financial instruments, like collective mortgages, all of which, when synergized and taken together, blur the line between socialism and capitalism: private AND collective ownership simultaneously, through avenues that open financial, economic and professional opportunities to ALL people, not just the wealthy who can afford to buy in.

So to clarify (thanks for the push):

The Collective Ownership Company would integrate:

- (1) the cooperative or collective business model, in a manner of meritocratic equity assignment
- (2) the crowdfunding model, in a manner bringing funds to the business collectives for an equity share
- (3) collective financial instruments, *at least* including collective mortgages, but potentially including many other instruments of 'risk/responsibility spreading'

With regards to your mention of "Marxist-esque thinking," I think it's an evolution in Marxism: rather than fighting and attempting to supplant capitalist systems that have become fully globally ingrained since Marx's day, this idea is like a Trojan Horse; something that works within the established capitalist system in order to gradually remake it in favor of the people as a whole. It's also not entirely Marxist, only semi-so, because private ownership is maintained, whilst, again, lines are blurred... not only between what constitutes capitalism and socialism, but even what constitutes 'public' and 'private.'

Jesse:

I wonder how it's similar or different from a kibbutz in Israel. I wonder how those worked technically.

As an idea I think it would sit really well in a futuristic or alternative universe novel, seeing what works and perhaps the challenges of this style of economy.

Nick:

It's the Trojan Horse man. How Capitalism mates with Socialism. It's the combination of the business collective and crowdfunding concepts, bolstered by innovative financial instruments. I think it's an inevitability; it's all a matter of how long it takes to catch on, and become the future.

Excerpted from the Addendum of:

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By Nick Jameson

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