

# A definition of a "Subsistence Economic System"

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The word "subsistence" is meaningless if left standing alone. If used as an adjective in defining an economic system, then the term "Subsistence Economic System" makes sense.

It is now necessary to define "Economic System" so that there is no erroneous preconceived idea of what we are talking about. What I mean by an Economic System is "the organized production and distribution of goods and services to people so that people can subsist off the resources available to them."

The basis of Subsistence Economic Systems is centered around the individual. As he integrates his efforts to subsist off the resources with other individuals into an organized family unit he arrives at the first civilized cooperative interrelationship called a Family Subsistence Economic System.

The next level of organization integrates the Family System into a Village Subsistence Economic System. The increased access to goods and services thus available through organization results in expanded trade of surplus to a greater community.

This then evolves into the next integrated step identified as a Regional Subsistence Economic System which covers a larger area and then through expanded organization makes more products and services available to the individual human beings involved. The security of this larger system is dependent upon a civilized distribution system based on cooperation and need rather than the barbaric distribution system based on competition and greed.

The next step in the integration process is into a National Subsistence Economic

System which results from a cooperative federation between regions that increases substantially the variety of goods and services available to the individuals within the larger organization.

The last step within the confines of the ecological bank of energy called Earth is organization into an International Subsistence Economic System. This step requires the civilized cooperative distribution of goods and services between diverse but integrated national groups.

The constant index throughout all these phases of organizational development is still the Human Being.

The recognition of the Right of Self-determination that exists throughout the process to the International level is fundamental and gives the franchise to define the commodities both tangible and intangible that make up the individual's access to the economic system. These rights are secured to the individual by his acceptance of his trust responsibility. This puts into context the priorities of his access to the system.

In other words the larger community protects the individual in his economic right to resource. The price paid by the individual for his protection is the discharge of his trust responsibility back to the community. This community can be either the family, village, region, nation or inter-nation or combination of all five.

Consensus acceptance of this civilized principle is essential as this consensus forms the basis for constitutional encoding that has the highest degree of self enforcement which diminishes transaction cost, thus releasing more goods and services to the individual within the total system of organization.

It is interesting to note that

when subsistence is attached to the term Economic Systems, it means ALL the goods and services necessary to increase the survivability potential of the human being.

Since human beings do not exist by "bread alone", subsistence includes those intangibles or metaphysical services that contribute and identify the "culture" and "lifestyles" of the various individual groups within the larger total group.

Therefore the ONLY economic model where Human Beings are the index of the System is the Subsistence Economic System.

The misuse of the term "Cash Economy" has to be addressed and clarified as this quasi economic system is often espoused as a substitute for Subsistence Economy.

First of all, "cash" is nothing more than a dynamic credit accounting tool used to indicate where the demand within the system is. Dynamic cash accounting can be used within Subsistence Economic Systems. As long as the Human Being is used as the index of success or failure the tool is useful. On the otherhand if "inflatable cash" is used to manipulate demand then you get an imbalance that results in a cash inflatable demand situation that will collapse the system because the tool now becomes the index instead of the human being.

The concentration or banking of "cash" becomes a measure of efficiency of the system. The more "cash" you have banked, the more inefficient is the distribution where human beings are concerned. Cash inflatable demand gives the appearance of working if the demand is evenly balanced throughout the system, however, as the economy "heats up" imbalances accelerate and the system falls due to the diminished supply necessary to balance the increased demands.

The absurdity reaches a peak when quasi supply (Future) is used to satisfy "quasi demands" (inflatable cash) and the index of human beings sacrificed in an Alice in Wonderland absurdity called Cash Economy.

In conclusion the definition of the Subsistence Economic System has to occur at the village level using the doctrine of self determination in modeling its form. This requires:

- (1) An inventory of the resources available within the village structure.
- (2) Prioritizing these resources by their relative importance and abundance to satisfy the demands within the community.
- (3) Designation of the surplus resources to be used in the transfer or trade to satisfy demands to other village systems.
- (4) Designation of surplus within the region to be used for transfer or trade to a national system.

(5) Designations of surplus within the national systems for transfer or trade into an international system.

(6) Cooperative organizational integration between step 2 to 5. This results in consensus policy determination at all levels which in turn create a synergistic open ended structure.