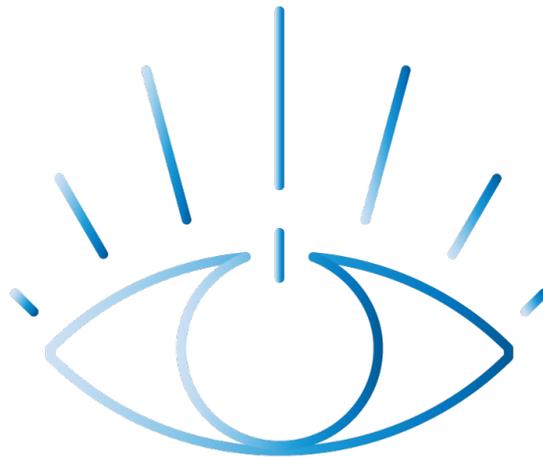


I²BALANCE
**Inter-Industry Balance Of The Global
Economic System**



PASSIONARITY

www.passionarity.org

2018 y.



Contents

1. What does this work about.....	3
2. About practical use.....	5
3. Advantages.....	6
4. About other aspects.....	8
4.1. What's missing in the current version.....	8
4.2. About the time limits of execution.....	10
4.3. Analogues.....	10
5. Structural scheme.....	12
5.1. General view.....	12
5.2. Detailed description.....	14
5.2.1. Global Reserve System.....	17
5.2.2. General provisions for the contract organization.....	33
5.2.3. Drivers of economy.....	34
5.2.4. General provisions for the organization of contracts of industries.....	41
5.2.5. Block of SW industries.....	48
5.2.6. Block of infrastructure of regions.....	52
5.2.7. Block of industries POWER.....	62
5.2.8. Block of HW industries.....	64
5.3. The unification process of regions.....	71
6. Preparatory stage.....	74
6.1. Additions to the topic.....	83



1. What does this work about

This is an attempt to form an idea of how an economic model can be organized using the newest information technologies. It is not an absolute solution and a salvation from all the problems of mankind for several reasons.

1. Any form of freedom is an unbearable burden for any slave;
2. The model implies the initiative activity of every conscious person on the planet Earth;
3. At the current time, there is no decentralized energy available from decentralized science, which would be aimed at servicing people, not monopolies and bureaucracies;
4. The model is aimed at dismantling the bureaucracy as a class;

From the last point it follows that:

1. Bureaucracy is a political force aimed at consuming human resources, which will resist in every possible way the possibility of set of such circumstances;
2. Having excluded from the model any forms of bureaucratic regulators, under the present state of society's development, one can achieve that form of social processes that is presented in the film of Alexei Uchitel "It Is Difficult to Be God", ie, with absolute irresponsibility, people will cast down to the level of primates;

The mechanism limiting such a fall on the second point is the current legislation and international norms that are not absolute evil, but there is only an external substitute for the inner human tuning-fork, which does not necessarily have to rely on external regulators, because without regulators any developed person has the ability to limit himself from a moral fall.

This by the way, is a hint to those who are oriented to the so-called developed countries, not paying attention to the legislative regulations of all possible processes, without which all these "advanced" societies will not differ from the heroes of the above-mentioned film when all possible "red buttons" are accessible to everyone.

Considering all this, it can be said that the work submitted to you is a "shot into the sky in a desert" and despite this, work on the model description will be conducted within the framework of the project "Passionarity"¹.

In addition to the fact that the solution is not a panacea for all the problems of mankind, it is also not about patriotism. Patriotism is the vice of mankind and it has one of those functions that densely mounts that "cage" in the minds of people, from which it is necessary to be liberated in every way in any research activity.

"Cage" is an invention of millennia and it is not physical, but mental and exists in the form of a system of unshakable stereotypes, where patriotism is only a small part of it. Patriots are only agents who watching the putrefaction of the "cage" groan at the thought that the "cage" is about to collapse. "Cage" is the whole world of people, each of which providing information cells in which

1 <https://passionarity.org/>



this or that dogma is concentrated, or simply speaking — a tradition passed down from generation to generation. This is the whole body of scientific ideas about the world, about the family, about the structure of the state, about history, about international politics and so on. With only one hint that outside of the the "cage" there is a whole Universe of the Unknown — plunges the representatives of the "cage" into an intellectual shock, which is not so easy to overcome.

The whole trick is that thanks to the development of information technologies, the "cage" is not just rotten and no one is really controlling it, but the doors from it, its representatives, without even noticing it, were taken to the chargrill. This suggests that there are people who have been watching from time to time to the "cage" from the outside, and for the rest of the time are exploring the outer spaces in relation to it.

This work is about this, that is, how it would be possible to try to consider the global economic model, provided that the lion's share of representatives of the "cage" will leave it, or at least, will begin to think about its existence. That is an attempt to bring such a topic to the discussion. Everything that is written in it does not matter at the current state of affairs and accordingly, when the necessary quality of the factors described above is achieved, the image of the model can radically change.



2. About practical use

Fantasizing, we can imagine the situation that suddenly a critical mass will be gathered, thanks to which it will be possible to develop the project together. Then it is necessary to describe the moments through which the model can be viewed from a practical point of view, and not as an element of "romantic fantasy".

For these purposes, an attempt will be made to describe immediately the abstract model, to the description of which it will be possible to connect expressing an internal protest to the current global economy. This is all the more significant due to the fact that the market of crypto-currencies is gaining momentum, and even if participants do not have a conscious or systematic understanding of the use of Blockchain technology, in its bulk, there may always be people who will be able to realize the potential of such approaches.

The point is that shadow cryptoeconomy overnight can become a mainstream and a driving force for the development of social processes if, at the initial stage, processes are built properly, forming reservoirs, through which it will be possible to feed those sectors that constantly require subsidies. The trick is that the public Blockchain allows to create systems of both, a shadow and a systemic nature, which introduces a consensus factor emanating from representatives of economic activity. Its essence is that the leading economic activity people will have adopted the model, by adopting the rules of the game and engaging in the process of filling reservoirs on the basis of personal initiative, which will have to be motivated by the principles of building such systems.

This also means that the description of such models can be built exclusively and taking into account only the public Blockchain Ethereum², due to the fact that this implementation is by far the best tool for prototyping.

To solve this problem, all types of economic activity must be strictly classified and dealt with territorial affiliations for each of them, giving each participant the rights to choose the most convenient principle of management, and for economic blocks, as described in detail below, to provide conditions for the formation of percentage ratios when allocating resources.

2 <https://ethereum.org/>



3. Advantages

The approach described below has advantages, only a minimal part of which is able to devalue the value of the entire current economic system.

First, the fundamental advantage lies in the fact that the model is built on the principle of open source systems, which makes it possible for people to study the economic model in depth and thoroughly without being ordained to the sacraments, which are usually only accessible to the financial elites.

Secondly, due to the fundamental moment, people have a motivation to study the economic principles of human interaction on a global scale, because on the basis of this understanding, one can actively participate in the development of the economic model as a whole and describe the "Smart Contracts" in particular and through universal suffrage.

Thirdly, the model excludes any form of power and is built exclusively on the basis of self-organization of people and their personal initiative, which excludes from the model such state functions as the maintenance of the army and law enforcement structures, because there is no one to fight with and there is no one to defend.

Fourthly, on the basis of all this, in the economic model, there are no forms of mediocre spongers who appropriated the lion's share of the materialized human energy due to their proximity to the "feeder".

Fifth, the total volume of products produced on a global scale is accounted for, based on which a full-scale monitoring of commodity production and consumption can be built up, online and by anyone, which can serve as an excellent tool through which a private initiative can be boosted.

We can continue indefinitely, but we need to go beyond the advantages and agree that they all break up into one single stumbling block — people are waiting for an absolute miracle in the form of a king, a god, or a holy bureaucracy that would solve all their problems overnight, with their complete irresponsibility and alienation from the concept — that only everyone is for himself the God, and the king, and only he himself is responsible for what is happening.³

Add to this is the fact that technological progress reveals a person in the image of a "monkey with a grenade", which can be illustrated by all the ongoing chaos with the crypto-currencies on the market. When even one of the implementations is not able to be stably supported by a circle of community, in every possible way breaking into many so-called "Forks," not to mention the number of different implementations on the market. Therefore, taking into account that the system described below will be presented in the form of program code, the likelihood of a similar combination of circumstances and with it is great, which is **fundamentally incapable of meeting** the needs of mankind, and is *capable only inflicting a destructive disorder in the life activity of*

³ An excellent illustration of the ongoing insanity is the recent congestion in Minsk — <https://youtu.be/e4RPDbQFY0M> , which occurred due to the disconnection of the usual regulator, i.e., traffic lights. It is in a society of people who crave freedom. We can imagine what will happen when they get this freedom.



people.

In this regard, decentralization is not an absolute good, but an absolute evil, in a society with a level of development similar to what we have within the framework of civilization as a whole, and this kind of research, in this situation, is a "utopia in the cube". Nevertheless, it is better to be civilized through freedom of choice than through a worldwide concentration camp and provided that there is an understanding that the matrix is a function whose eventability clearly affects the course of events of each person, thereby regulating its activity.⁴

Despite all obstacles from the field of the "human factor", the development of social processes is reaching such a level that the implementation of the ideas described below will in any case be formed and adopted on a global scale. The question is only how quickly humanity, as a single organism, will be able to effectively interact among themselves on decentralized basis. It depends, first of all, on his ability to live consciously, and not under the power of various kinds of hidden, or obvious propaganda. Therefore, the sooner peaceful discussion and implementation of such ideas begin, the better, for any alternative only adds liberties to a conditionally free society enclosed in a mental "cage" of a global scale and located there by inertia.⁵

Moreover, given the general state of the world's "elite" and the degradation processes associated with it, such researches may devalue the notion of "power" of governments, presidents and bureaucracy, since the qualitatively much higher level of self-organization of society and its ability to follow this quality, against all the odds — forces the "elites" to hold their ardor in the right place and to realize their assignment.

4 It should be added. Deactivation of a person as a function can be performed not on the basis of just going beyond the scope of the permissiveness, but also on the basis that the person already performed the function scheduled for him within the framework of current activity. Therefore, the function of the matrix can be more likely to be considered those conditions that its created for each person that need to be overcome, suffering all sorts of adversity and grief in case of going beyond the scope of which each person has his own strictly individual geometry. Therefore, the concentration camp is not able to fully perform the function of humanization, since for regulators, as a rule, high-handed persons endowed with power are responding (which can be the function of the matrix creating a discomfort condition), which can only evoke envy or hatred by their behavior. Because any slave dreams of becoming a slaveholder, so the effectiveness of concentration camps is much lower than the matrix regulator described above, which has no benefit if there is no representation in society about it.

5 In order to more specifically consider the freedom of the society, we have done a lot of work for this purpose, which can be found on the link: https://passionarity.org/source_code/



4. About other aspects

4.1. What's missing in the current version

- **No figures in the model;**

This version of the book is aimed, first of all, on the description of the system, providing a glance of the structural scheme, therefore the availability of figures and mathematical formulas will be minimal. This is explained, in part by the fact that the formula is much less telling essence, rather than the program code, the basic configuration of which will be provided in the process of its writing on our page on Github⁶. The model is presented in the form of a primary, structural matrix that has all the prerequisites to be filled with details and expand in any direction.

This implies the following.

- **No pricing policy;**

In conditions of the current fluctuations of the crypto-currency prices, there is no sense in talking about the pricing policy. It makes sense to talk about it in the not so volatile market.

At the moment of ideal conditions, to develop a pricing policy (it would be more correct to call this the pricing algorithm, due to the system's peculiarities), it is necessary first to create a simulator of the economic system, within which there would be the opportunity to play a variety of variants of the development of events. This would be an ideal solution, since having created this or that equation, based on theoretical considerations, it is possible, by inadvertence, to deploy a set of huge problems in the future. Accordingly, this is one of a million tasks that need to be implemented.

- **No historically formed, modern society;**

This point will often be found in the text of the book, as in the current society, the model is **unrealizable**. Accordingly, the model is described by taking as a basis the society of the future, that is, those imaginary people who once and suddenly awake to say: "We are fed up with **any** power!". It is this generation of people who can create a political force capable of a miracle. The logic of their behavior will be built on the basis of a simple pattern that with every step that goes way across the order they have worked out, they **roll back all the processes back** to obscurantism, priests, kings, presidents, governments, drunkenness, stupidity and narrowly specialized half-wits. Therefore, this would be tantamount to suicide for them.

From this moment, the following gaps follow.

- **No proper solution to the problem regarding the possibility of territorial disputes;**

Territorial disputes are a matter of purely culture of public behavior. At the moment, there is no solution to this problem due to the fact that there was not developed a culture in which the society would strive to meet only the basic requirements for the consumption of material resources, when all overconsumption rises to the rank of the absolute Middle Ages, and human

6 <https://github.com/passionarity>



energy is sent to the field of self-development, self-education and self-organization.

Nevertheless, some possible ways of overcoming these obstacles are given, at the initial stages of development of the economic system.

- **The model does not include sectors that satisfy the degradation-parasitic spectrum of needs;**

The degradation-parasitic spectrum of needs, the range of needs that negatively affects the biological and mental processes of a person in the succession of generations, which include such needs as:

1. Consumption of alcohol, spirits and other narcotic substances;
2. Watching TV shows;
3. Delight from the sport of high achievements, taking place in conditions of external observation;

If we summarize these three types of needs in relation to the average consumer, then within the current economic paradigm these needs form an average moron that is unable to think systematically, revealing in the course of processes of a regional or global scale the essence of things, their causes and effects, and is capable of only think with simple stamps and slogans about socialism, incomprehensible, conditional freedom, or something else about something they do not know about, which they are informed from the stands and from untwisted idiots for whom is impossible to describe in detail the depth of each of their shouted slogans. Therefore, such a consumer is a product of modern civilization and he has no place in the paradigm described below, because:

1. To manage the economy, it is necessary to monitor the indicators by identifying deviations from the norm and to raise questions for general discussion, and for such an algorithm of behavior a sober mind and clear understanding are necessary;
2. For self-education, it is required not to follow the recommendations of the inspectors of the thoughtless crowd, but to be able to extract and generate useful information on their own;
3. Sport of high achievements is a typical generator of patriotism, which is a yoke on the body of the planet and sport of this kind has long ceased to be a sport and moved to the field of war at the level of medical drugs;

Therefore, if you are offended by the absence of these moments and frankness in the description of causes, then there is the courage to note that the work is created, in this case, not with the goal of attracting you, but with the goal of getting rid of your presence and participation in the processes of the future. The described model will be created in conditions of full confidence in the attitude of the general exploitation of its key approaches in the future, if not during the life of the founders, then after the death exactly.⁷

⁷ There is no reason for dogmatism, let's leave this habit to contemporaries. There is an understanding that by launching the process of universal comprehension, the chance of coincidence increases, under which the project will develop automatically and in the mode of individual creativity of independent people, whose works will find



- **General concepts on management of contracts of economic system are given;**

It means that at the moment of registration of the contract system on the Blockchain side, the contracts will be a complete and workable model that has passed all levels of testing, both through the simulator of the economic system and through the community of users and after registration access to changes in the system will be provided on the basis of a complex system of selection of working variants and developers of their creating. Accordingly, no one will have access to contracts and finance at the time of their operation, and all access will be provided only to the modules of the system.

4.2. About the time limits of execution

Given the unpreparedness of society to perceive this kind of ideas, the project has the opportunity to develop calmly, slowly and stable.

Thanks to this, there is an opportunity to take time and do it in own pleasure, as solving non-standard tasks is a favorite case, so the model detailing will be expanded as the project develops.

This is exactly the case about which usually say: "the more haste, the less speed".

Based on all of the above, we can safely say that this is the first version of the book describing the inter-industry balance of the global economic system. Moments supplemented with the program code will be available later.

4.3. Analogues

It is necessary to start with the fact that there are no analogues of such tasks that solve problems of this kind and globally. However, one should give an idea of how the system can be arranged taking into account the existing developments in the real world, corresponding to generally recognized self-organizations that serve narrowly specialized spheres of human activity. Let us give just one example. Anyone who has experience of interaction with such examples can also offer his own analogues of a private character.

A typical example of qualitatively debugged processes within the self-organization of people is the professional association of diving instructors named PADI⁸. The association is an extensive network of schools for amateur and professional diving, standards and methods are taken into account and recognized by bureaucratic, insurance and other institutions throughout the world. This is due to the fact that the basis of self-organization of people is the huge experience of instructors, the established standards imposed in practices and the use of different types of equipment, and the basis is the responsibility of each member of the organization, that motivated by the principles of building direct and feedback links between the core of the system and its ever expanding community.

Each responsible dive organizer will admit only to those conditions of diving that correspond to his level of training and the level of training of each individual diver, since any negative

their application in the future.

8 <https://www.padi.com/>



coincidence of circumstances will, in the first place, affect the reputation of the organizer, which must have a level corresponding to international PADI standards. That is, an organization that is an ideal example of how a system of self-organization of people can be organized without involving bureaucratic institutions, on whose interests research centers operate, inventors of special equipment, manufacturers, etc. Moreover, the emphasis is placed on the assertion that each diver is personally responsible for the safe diving of the tandem⁹, since there is no one in the open water who could come to the rescue in a short time. Because, the time in the water column, in which there is a possibility to resolve the most dangerous situation associated with the failure of the respiratory regulator, does not exceed a few seconds.

If someone is unable to provide examples of this kind and designate their analogues, then there is no problem to pass the appropriate course in any PADI certified center, with the only proviso that each applicant must have the required state of health in order to feel on his body all the delights of this kind of structures, such as efficiency and smooth operation, and also enjoy the first dives.

Nevertheless, it should be clarified that this example is a commercial network structure inscribed in the current global economic system. The model described below is an alternative economic system, where any organizational, research, educational and human resources are included in the economic driver's block and are under social guarantees that are provided through a universal taxation system.

9 Diving with a partner is one of the main rules, because in this case, any dive is much safer, it is more comfortable and with a partner to dive is always calmer than alone. For safety, there are additional items of equipment designed for emergency ascent, if the equipment of one of the tandem participants fails.



5. Structural scheme

5.1. General view

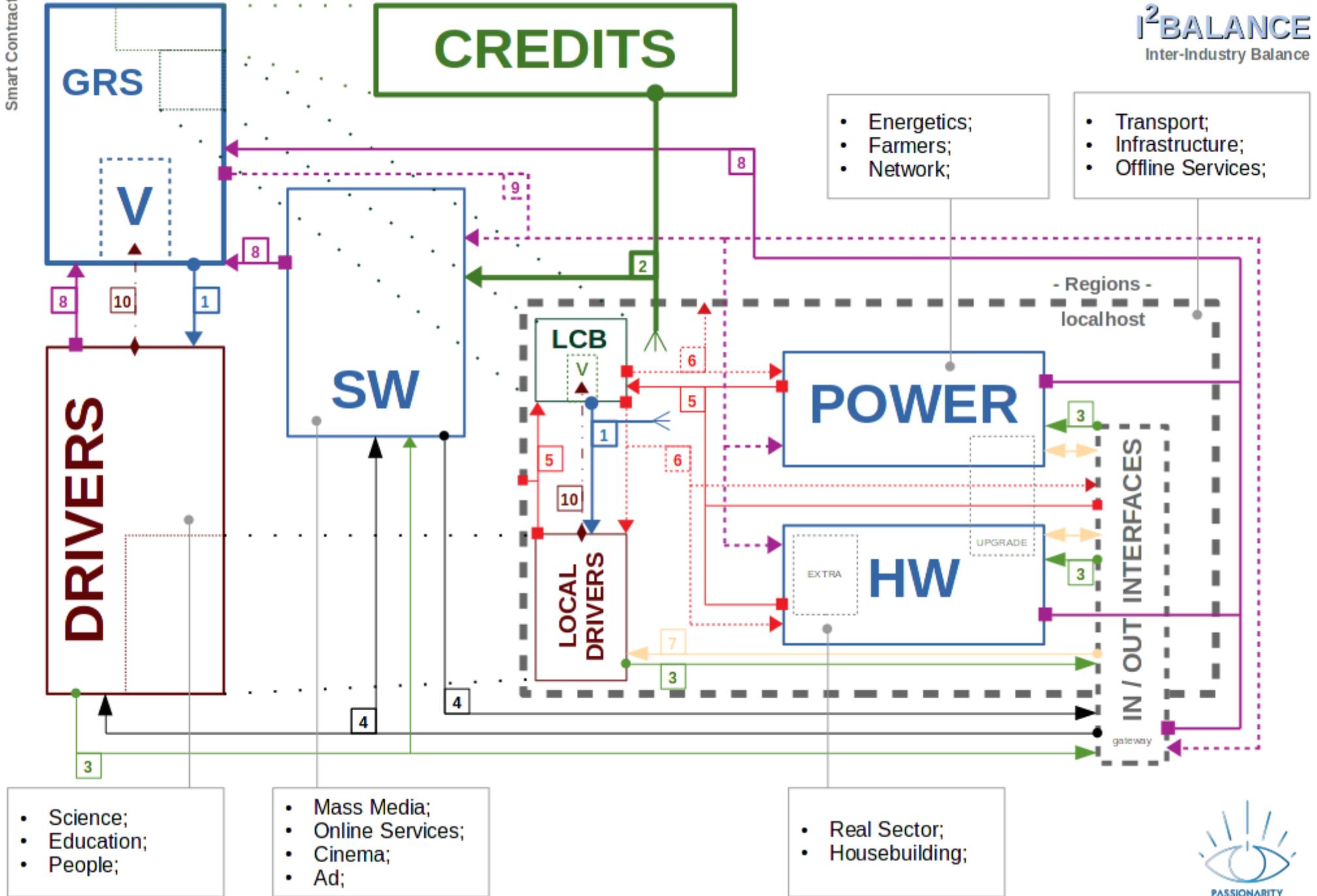
The scheme below is a kind of closed-loop system of global economy, where each subject is described by the program code of "Smart Contracts". The subject implies a set of active people or DRIVERS of the economy participating in economic activities and organized into a structure. Each economic entity can be included in this or that block of the global economy. Each block is a classification of activities and, depending on the type of activity of the business entity, is included in one of them, each of which is divided into a chain of included industries.

All transactions are **not** carried out directly from the subject to the subject, but through the specialized systems of "Smart Contracts", which are, in aggregate, the Global Reserve System (GRS), and in particular - local, regional central banks (LCB).

The GRS manages on its side:

1. Determination of the central bank responsible for the region, with a view to redirecting tax deductions in its direction;
2. Tax deductions from each of the transactions;
3. Fixing in the database of units of goods and services purchased within the framework of a particular transaction and within each specific industry of the economy;
4. Registration of new entities and regional central banks;
5. An analysis of all the collected votes for each specific topic of concern to the people relating to the structure of the economic system;
6. Analysis of the ratio of the volume of credit circulating in the economy with the fiat currency (hereinafter referred to as the currency) of the Blockchain entered into service;
7. An analysis of the activity of participants in economic activity and their privileges based on analysis;
8. An analysis of demographic indicators reflecting the birth rate, mortality and life expectancy;

The GRS is the kernel of the system through which, directly, the entire global economy is controlled by the kernel modules, or the methods that comprise them. Given the limitations on the length of the code of any contract, the kernel of the system can consist of multiple, or many extensions that will be *extensions of the kernel database*.





5.2. Detailed description

The scheme describes the main functional moments of the economic system. Let's dwell on the elements of the scheme in more detail to form a basic representation of the model, and then continue to describe each of the blocks more thoroughly.

The scheme is divided into four main classes of blocks, each of which includes both functional blocks and their industry components:

1. Class of the Global Reserve System (GRS);
 - Block of generation and accounting of credit funds (CREDITS);
 - Local Central Banks (LCB);
 - Voting systems (V);
2. Class of the DRIVERS of the economy;
 - Regional drivers (LOCAL DRIVERS);
3. Class creating information products (SW);
4. Class of regional infrastructure (- Regions -);
 - POWER block, filling the infrastructure with energy and sources of vitality;
 - Block of the real sector (HW);
 - Block of industries of real sector with super incomes and / or sector responsible for natural resources (EXTRA);
 - Block of industries that generate forced development (UPGRADE);
 - Services on operations with goods from other manufacturers (IN / OUT INTERFACES);

Regions incl. are responsible for the quality of both local central banks and local *drivers* of the economy and impose some of the functions of global regulators on them and taking into account regional features of economic activity such as:

1. Climatic conditions;
2. Belonging to the language systems;
3. Belonging to the time zones;
4. Level of development of the local infrastructure as a whole;
5. Features of people residing in the regions inherited from previous generations;

All elements of interactions in the scheme are indicated by lines of different color and style, which depend on the functional load of each type of interaction. In addition, each type of line is numbered.

Within the framework of the model, each business entity exchanges goods and services



among themselves through a regional block and the infrastructure or interfaces provided by the local network (localhost) and interfaces for the exchange of goods with the outside world (gateway). Lines of interactions responsible for the movement of goods and services are displayed as follows:

- **3**: Lines emanating from the drivers of the economy and displaying:
 - Movement of people in space;
 - Movement of scientific developments from the branches of science;
 - Knowledge and skills movement;
- **4**: Lines of goods and services circulating:
 - Between subjects of different regions;
 - From the media and information technology (SW) class and vice versa;
- **7**: Lines of goods and services circulating locally in regional markets;

All transactions are made through the GRS system, on the side of which all the necessary events of the global economy are recorded. As stated earlier, the GRS system itself determines the central bank, on the side of which it is necessary to fix the payment of taxes. Add to this point and the fact that it depends on what type of transaction is being made:

1. Payment for goods and services produced in local markets:
 - The tax is fixed on the side of the central bank of the region;
 - **5**: Movement of funds towards the central bank;¹⁰
 - **6**: Movement of funds from the central bank towards the seller of goods and services;
2. Payment for goods and services, both imported from other regions and purchased from the level of the block of industries united under the labeling SW:
 - The tax is fixed on the GRS side;
 - **8**: Movement of funds towards the GRS;
 - **9**: Movement of funds from the GRS to the seller of goods and services directly;

Let's pay attention to the absence of lines at number 9, reflecting the movement of funds from the GRS after taxes to the external block of drivers of the global economy. This is due, first of all, to the fact that the income tax on wages, regardless of the industry in which a person is employed, **is paid directly to regional central banks.**

¹⁰ As it was mentioned above, the GRS is responsible for this moment, that is, it could be designated as "Movement of funds towards the GRS and further along the chain towards the Central Bank", but this option was chosen for ease of information delivery on the scheme. All details are described below.



Also, we draw attention to the fact that from the side of the GRS and the regional central bank follows the arrow at number 1 (**1**), which denotes direct subsidies and social guarantees:

1. At the global level of significance (GRS):
 - To the block of drivers of economy;
 - POWER block;
 - Budget organizations;
2. At the regional level of the significance (CB):
 - Block of local drivers of the economy;
 - POWER block;
 - Optimized industries (UPGRADE);
 - Budget organizations;

Each of the blocks and their functional loads, we will discuss in detail below.

Arrows numbered 2 (**2**) denote credit funds, which run all socially significant projects, both from the level of any block of regional significance, and from the level of the SW block.

Management-significant information that forms the prerequisites for making changes, both in the global economy and in the regional economy, is indicated by lines numbered 10 (**10**) and is:

1. Introduction of voting points;
2. Definition on the basis of voting the most relevant to the current state of things **standards** of the economic system and derived from them contracts;
3. Giving of votes for one or another, popular idea;
4. Determination of the value of the variables of the economic system, both at the global level (GRS) and at the regional (CB) level;
5. Control of economic activity within the established rules;

At the initial stage of modeling the economic system, its life cycle can be divided into three stages:

1. Preparatory stage;
2. Transitional period;
3. The period of full saturation of the closed-loop system by circulation with all necessary goods and services, or the period of operation at full capacity;

At the moment of transition from the second stage to the third one, the possibility of duplicating contracts of person identifiers is excluded, but this point can already be started at the level of the *preparatory stage*.



All further functional components will be described taking into account the last two, conditional periods, the first will be described at the end of this work.

Now we need to decide on the basic concepts:

- *Ethereum account* is a physical Ethereum account, or a wallet that allows you to manage a personal driver contract of the economy;
- *A driver contract* is a personal "Smart Contract" of a person or a Blockchain passport that is managed from the Ethereum account level, and allows you to work and interact with economic entities;
- *The contract of the company* is a personal "Smart Contract" of the company, which gives the right to participate in business activities to contract owners and accept employees. *The contract of the company* is controlled from the level of the *driver contract*;
- *The subjects accounts* are fields in the GRS database that record all events related to the activities of business entities, as well as the amount of financial resources available in their possession, but physically located outside their contracts, ie physically on the side of the GRS;

Further, there may be such subject accounts as *driver accounts*, *company accounts*, *organization accounts*, *accounts of CBs* etc.

Now let's go over each of the blocks more thoroughly.

5.2.1. Global Reserve System

As stated earlier, the GRS is a system of "Smart Contracts", which is responsible for accounting and distribution of resources of the global economy. Each registered contract is available as an open source code and anyone may check on its basis by typical comparison of data after compilation.

The contract system is a core on which the key logic, kernel modules in the form of methods, and its wrapper are fixed. To the wrapper, we can include any contract of a closed-loop system that meets two basic criteria:

1. Formed by the standards of the economic system;
2. Commits the transactions through GRS;

Any contract related to the wrapper and located outside of the GRS functional blocks can be extended to any necessary functional to the fact that the basic functions must meet the standards of the economic system, since taking into account the possible and necessary optimization of the economic system, with the introduction of changes to the system of GRS modules, the extended owners contracts of the economic system may begin to conflict with the principles of the system as a whole, which may result to the refusal of execution of driver contracts of the economy and contracts of companies and organizations.



5.2.1.1. Currency issue

The currency issue is carried out in a decentralized manner, in accordance with all standard principles, taking into account the fact that when we model the system we use the public Blockchain Ethereum, accordingly there are no guarantees that the produced "Ether" will rotate in the contours of the economic model. Accordingly, mechanisms are needed that would allow these means to attract into economic system.

To do this, it is necessary to identify the key points by which the "Miners" will be included in the system of uniting labor by saturating the system with a crypto-currency, and for developers these moments will be a vector of goals.

1. Availability of social guarantees for participants of the economic system;
2. Availability of technological development features that available only to participants of the economic system;
3. The presence of a universal infrastructure facilitating the conduct of any economic activity;

Let's return to the *currency issue* topic at the time of the description of the economic *drivers* block.

5.2.1.2. Credit system

The credit system is one of the most promising moments of the entire economic model based on the principles of algorithmic interaction. Such confidence is based, first of all, on the fact that on the system no intermediate bureaucratic elements, thanks to this there is a huge cut of completely new mechanisms for accounting and financial management within the whole model, both from the level of the core of the economic system and from the level of business entities.

The credit system mechanism should exist to meet the needs of the newest economy, launching those industries of the economy that would contribute to development:

1. Decentralized education system;
2. Decentralized science;
3. Decentralized energy, forming a reliable foundation for the development of the further processes;
4. Infrastructure, simplifying the movement of goods and services both at the regional level and at the level of their interaction among themselves;

The development of infrastructure in the first three areas is especially important in the *preparatory period* of economic development, since these factors may constitute a key attraction for potential participants in the economic system, but they can be financed from the regional budget only at the *stage of the system's operation at full capacity*. The development of these levels, at the initial stage, will proceed by default, due to objective processes and conditions associated with this. At the *preparatory stage*, we can create only a platform and prepare the environment, for their more intensive implementation in the algorithm of social self-organization. The last point is



possible when at least the second stage in the life cycle of the model is reached, because the infrastructure of the regions starts systematically go under the control of society, and not the bureaucracy.

In addition to the function that triggers vital processes in the economy, the credit system saturates the economic model with additional functionality:

1. *In the transition period*: attracts the fiat currency into the outlines of the economic system;
2. Saturates the economic system with means that are not deducible beyond its limits;
3. Forms an additional credit and financial contour, with the possibility of implementing circulation of funds only at the level of the industries of the economy;

The third point requires special attention and additional research in the conditions of a running simulator of the economic system, because it allows you to exclude the hit of credit funds to the level of consumers of final consumption goods that do not participate in their production, and are only employed as hired employees, or are under the social security. One can add to this the fact that the generation method allows breaking credit tokens into two different types:

1. Consumer;
2. Inter-industry;

Where the consumer can work for the benefit of the development of sectors producing consumer goods, and inter-industry to the circulation of funds exclusively between industries.

5.2.1.2.1. Credit generation

Generation is made already familiar to all methods, that is, the creation of tokens, where each generated credit token is fixed on the GRS *account* side at the address of the active participant in the economic system.

Thanks to the movement of all funds through the GRS core, the value of 1 token is **equated** to the unit of the fiat currency of the Ethereum Blockchain.

The mechanism for attracting credit funds is radically different from the usual. The essence of this difference is that there are no bureaucratic institutions in the form of private banks, through which they are attracted. Accordingly, it is necessary to model the principle in such a way that it will be possible to launch processes based on the initiative of the people themselves. There is no need to go far beyond the methods, since people have already invented everything long ago, it remains only to apply the existing mechanisms in the conditions of the described economic model.

To begin with, we will understand what we have.

1. We have a GRS that takes into account all the incomes and expenses of each participant in the economic model for the entire period of its existence;
2. Due to the principles of constructing the GRS, the model excludes any types of intermediaries in the process of cash flow;



3. The GRS has a built-in credit generator, which, in fact, does not leave the core of the economic system;
4. There is a well-established infrastructure that promotes ideas in a decentralized way;

In addition to everything, we take into account that the main idea of the inter-industry balance sheet is that all records of the goods and services produced are maintained, and on the basis of statistical data a table of saturation by the market segments is formed.

Proceeding from this, it is possible to model the credit and financial system in such a way that:

1. In the conditions of the *transition period*:
 - Circulating assets would be attracted from outside the economic system in the form of a fiat currency flowing from investors to the side of the GRS, and instead, on the *accounts* of investors, the amount of credit tokens, in nominal value corresponding to the needs of the region, at any given time would be fixed. For such transactions, the following requirements must be met:
 1. The contracts of both parties would be in accordance with the standards of the economic system;
 2. Each investor would automatically have the right to vote within the framework of the launched project;
2. In conditions of the *full-fledged operation of the economic system*:
 - Attraction is achieved through the registration of a new business project in a single register of the GRS and the launch of collection of signatures for the approval of lending. At the same time, the subject at the initial stage takes into account the regional or global significance of the project (SW block), which provides access to the signature collection system at the regional level (LCB), or globally and affects the upper limit for collecting signatures and attracted funds;¹¹
 - With the missing segment of the market at the regional or global level, lending is provided by a simplified procedure, i.e. without signature collection procedure, but for this it is necessary that at least a few conditions are met:
 1. There was a certain period of employment within the industry providing the market segment;
 2. Net credit history within the whole economic model for the last term, which depends on the specific region;
 3. A fixed agreement would be reached with the purchaser of goods and services following the chain of inter-industry balance to the right which actively participating in the economic system;¹²

¹¹ Thanks to this mechanism, the business project goes under to the public control.

¹² Due to this point, the responsible buyer assesses the potential of the future supplier of goods and services and, in case of a failure, system fixes a mark in the credit rating of both.



- In case of successful provision of goods and services and raising funds to expand the range of services of the company, loans are automatically made upon request;
- Involvement in the construction of private housing is achieved through the analysis of revenue for a particular period of time and depending on the region. At the same time, the principles of GRS allows to raise funds for the construction of apartment buildings by processing requests from a group of individuals;
- Attraction of credit funds for the needs of the regions. When a request is formed on the basis of collection of signatures, the volume of which depends on each specific region and its needs;

Let's pay attention that in the conditions of the *transition period* the investor **does not lose the invested funds completely**, but acquires the right to manage the company and motivation to develop the infrastructure providing the flow of goods and services within the economic model that would allow full use of official credit tokens owned. While the funds invested, being on the side of the GRS, would be assigned to the company's GRS *account* and would participate in the development of the project wholly increasing the turnover in the emerging economic activity. If it is necessary to purchase outside the economic system and during the transition period, it is possible to withdraw funds to the company's contract side partially, that is, quarterly or monthly, and on request, but no more than the amount established by the region.

In the *conditions of the full-fledged operation of the economic system*, an algorithm is working on the GRS side, which determines the ratio of tokens being issued again, with the amount of funds in the budget and available for commissioning, and taking into account all social guarantees.

5.2.1.2.2. Mechanism of repayment of loans

Like the previous moments with generation, the moment with the repayment can be modeled taking into account the advantages of the basic approach based on the principles of constructing GRS. In order not to return to the advantages we have already described, we turn immediately to the mechanisms that make it possible to manage the enterprises and households most flexibly.

If the generation of credit funds is always under the control of the GRS, the **repayments** of loans are controlled by:

1. *At the global level*: The Global Reserve System;
2. *At the regional level*: The Local Central Banks;

The return mechanism can be arranged as follows:

1. Interest on the loan:
 - *At the global level*: The interest on the loan is close to zero, due to the lack of infrastructure served by people;
 - *At the regional level*: The interest on the loan is governed by the needs of the region and settles at the regional level to meet social obligations;



2. Repayment mechanisms:

1. The possibility of freedom of choice for private initiatives:

- Return in the "non-stop" mode due to the addition of percent to each transaction, with the possibility of assigning percent to the business entity itself;
- The return is phased, with the option of choosing the time and payment cycles;
- Both options at once;

2. For the needs of the region:

- Returns are interest-free, at the end of the annual business cycle;

Thanks to the loan repayment function in the "non-stop" mode, each loan becomes repayable for any of the cases. The only question is its complete redemption. This moment can be partially solved by the moment of registration of family or corporate unions, which will be discussed in more detail in the sections describing other functional blocks of the economy, due to which the effect of succession on obligations to the economic system can be applied.

5.2.1.3. Local Central Banks

Immediately determine the meaning of central banks (hereinafter CB) of this kind. They serve as a mechanism for accounting for the flow of goods and services at the regional level and fix the tax for each transaction. Their significance is due to the fact that at the regional level, through their contours, all transactions of POWER, HW blocks and industries representing the infrastructure of the region are recorded, as well as budget organizations, that is, industries that are the source of the greatest multiplier effect. Due to the deduction of taxes for each transaction, a budgetary resource appears, thanks to which it is possible to develop the infrastructure of the regions.

Thanks to these features, the CB has additional options that can favorably affect the economy of the territories under their control.

"Smart Contracts" of the CB system are bundled around the GRS core, entering its functional blocks. In the scheme, the CB is designated by the abbreviation LCB and passes through itself financial flows of the regional level.

The CB has its own system of recording the votes of the residents of the regions, through which manages:

1. Rates on taxes;
2. Interest on deposits;
3. Interest rate on loans;
4. Protection of local producers from access to the market of export goods and services;



5. Functional of CB taking into account regional features.
6. Functional and protection of the region from illegal actions;

5.2.1.3.1. Registration of the CB

This moment is especially important in the *transition period* of the development of the decentralized economy. In order to fix the regional regulator on the side of the GRS, it is necessary that the people's initiative be based on the minimum set of factors making up a full-fledged economy that can meet the basic needs of the region during the *transition period*. Namely:

1. The minimum number of people wishing to participate in the construction of the economy on the basis of the newest principles and registered at the side of Blockchain Ethereum *in accordance with the standards of the economic system*;
2. The presence of registered contracts that potentially meet the requirements of key industries with the authorized capital contributed to the *contracts* of companies;
3. The developed and registered contract of the CB on the standards of the economic system and taking into account the peculiarities of the region;
4. Transaction to the side of the GRS with a request to register a contract with the CB;

If all the conditions are met for the first three points, then the CB contract is registered automatically on the GRS side after the request transaction, and all those who took part in the registration automatically become participants in the economic activity of the region. In this case, the activity of companies will be taken into account in the economic system only after the withdrawal of funds from their *contracts* to their *GRS accounts* is made.

5.2.1.4. Taxes

The taxes in the described model are divided into several types, the size and necessity of the obligation according to which entirely depend on:

1. Type of services provided;
 - Block SW;
 - Provision of private services for each specific industry;
 - Any type of service at the regional level;
2. Type of deals;
 - Deals at the regional level;
 - Deals at the interregional level;
 - All deals involving the SW block;
3. Type of action in a regional economy;

Each deal based on the principle of payment for goods and services is taxed. The tax is not imposed from:



1. Subsidies both from the GRS level and from the level of local CB;
2. Private deals with real estate;
3. Direct, private transfers;

Each tax is not refundable, that is, in **no way corresponds to the characteristics of VAT**.

Drawing conclusions from these, general theses, taxes in the field of entrepreneurial activity and wage labor can now be divided into three basic and permanent types:

1. Tax on the deal;
2. Income tax of a private person;
3. Profits tax;

The first two types of taxes are paid automatically in the conditions of transactions.

Each of the three types of taxes has its own destination, at the level of which it is fixed replenishing the treasury either at the level of the GRS or at the level of the regional CB. These three types of taxes work at all stages in the life cycle of the economic system, but there may be some more types of taxes that depend on *the type of action taken in the conditions of the regional economy* and which can be used as regulators of an activity. Consider them in the process of describing the blocks of the economy, but for now let us return to the quantities constant.

5.2.1.4.1. Tax on the deal

This is the only single type of tax that has two destinations and depends on the type of deal being made.

1. *At the deal at the regional level*: it is fixed on the side of the regional CB;
 - In the conditions of the transaction in the territory that is outside the jurisdiction of the buyer's CB and through the terminal of the seller's company, *the transaction is regional and the tax on the deal is being made to the seller's CB side*;¹³
2. *At the deal at the interregional level*: fixed on the side of the GRS;
3. *In all deals involving the SW block*: it is fixed on the GRS side;

The amount of tax is set by universal voting at the regional level, or at the global level and depending on the destination of the tax. Given that the tax is irrevocable, the amount of tax should not exceed five percent (5%) from the amount of transaction.

This type of tax is paid by each particular buyer in the system of labor division.

5.2.1.4.2. Income tax of a private person

The personal income tax, as mentioned above, is directed to the side of the regional CB regardless of the industry and is levied on the able-bodied person who provides his services in the context of wage labor. The income tax includes all transactions from the level of an operating

¹³ In this case, each such bank terminal can be registered as a contract with reference to the seller's company contract.



enterprise or budget organization and directed towards a personal contract of a private person (*driver* contract) or contract responsible for a family union.

The size of the tax is appointed by universal suffrage and / or on the basis of indicators of the regional economy which built on the algorithmic mechanism of CB.

5.2.1.4.3. Profits Taxes

The tax on profits is levied on all enterprises belonging to the SW block, which is charged annually. The size of the tax is determined by universal suffrage and on the basis of indicators of the global economy.

The profit tax can be repaid in parts, during the next tax year, or by a single transaction after the expiry of the tax year.

5.2.1.5. Transactions

Transaction of an economic system is any transaction passing through the GRS block. There are two types of transactions:

1. End-to-end transactions;
2. Direct transactions;

The type of transaction directly **depends on the recipient's behavior.**

5.2.1.5.1. Conversion depth

The depth of conversion is the ratio of credit tokens with the fiat currency at the time of the transaction in the possession of one of the parties. The fact is that the mechanism of generating credit means, considered by us, implies their circulation within the framework of the whole closed-loop system. Accordingly, at a ratio of one to one, both types of circulating currency, at the time of each transaction, must be converted into a single amount. Moreover, at the very beginning of the description of the structural scheme, we mentioned the positive aspects that are pursued by the mechanism of generating credit funds. Some of them are:

1. Protection of the economic system from the loss of the fiat currency at the time of a possible system failure;
2. Saturation of the economic system by funds which not deductible from the system;

That is, in the interests of the whole model, to form transactions in such a way that:

1. On the payer's side, after each transaction, there was always a currency in any number greater than zero;
2. As a result of the end-to-end transaction, a certain amount of the currency was received for the beneficiary's contract;

5.2.1.5.2. End-to-end transactions

End-to-end transaction is a process performed by both parties, upon completion of which, on the side of the recipient's contract, the amount is fixed taking into account the *conversion depth*.



The end-to-end transaction can be divided into several stages:

1. Calculating the conversion depth (and tax amount, if required);
2. The flow of the amount to GRS;
3. Fixing of the specified amount in the register of the recipient's *account* on the side of the GRS;
4. The request of the recipient of a fixed amount from the personal register of the GRS;
5. Calculating the conversion depth;
6. The flow of a fixed amount from the personal register of the recipient's *account* (GRS) to the recipient's *contract*;

Where items 1-3 are a single, *paid transaction* of the Blockchain Ethereum **made by the payer**, and items 4-6 are a single, *paid transaction* of the Blockchain Ethereum **performed by the recipient**.

Hence it follows that for a successful transaction it is sufficient to fulfill points 1-3, whereas items 4-6 are made at the request of the recipient. Otherwise, the transaction takes the form of an *incomplete end-to-end transaction*, i.e., an end-to-end transaction not completed by the recipient to a logical conclusion.

Each *incomplete end-to-end transaction*, in the future, can become a **direct transaction**.

5.2.1.5.3. Direct transactions

A direct transaction is the transfer of funds located on the side of the GRS *account* and in the possession of one participant in the transaction being made, towards the *account* of another participant in the transaction when the funds do not leave the GRS contours. That is, an analogue from everyday life is a money transfer from one bank account to another, when the changes are fixed only at the level of the private bank's database.

It follows that the mechanism of *end-to-end transactions* plays the role of "cashing" in a fiat currency, which, flowing from the payer's contract, is fixed on the recipient's contract side. Otherwise, with *incomplete end-to-end transactions*, or *direct transactions*, the fiat currency is fixed on the GRS side and can fulfill the *bank deposit* function if the setting criteria are met.

5.2.1.5.4. Bank deposits

Taking into account that any private capital passes through the contours of regional CB's *accounts*, it is possible to establish a mechanism through which the financial side of the regional level would be regulated, without attracting financial resources from the GRS. This function can be performed by a mechanism such as *bank deposits*.

That is, with respect to Blockchain technology, *bank deposits* are those funds that are on the side of the CB *account*, but are the property of the business entity and participate in the development of the region, or in the terminology that we have accepted — are on the side of the owner's *account*. Thanks to private investments, additional opportunities appear for crediting the real sector, due to the development of which, a multiplicative effect is launched that fills the



budget with live money, which:

1. Promote the development of regional infrastructure;
2. Facilitate the satisfaction of interest on deposits, motivating private capital to invest in the infrastructure of the region;

Crediting of regional projects is based on the calculation of the amount of bank deposits that can meet the needs of the region, in the case of insufficient volume of deposits, a request is made to the side of the GRS in an automatic mode.

Bank deposit is the amount of funds on the side of the CB *account* that registered as such. Registration of the deposit is carried out on the basis of a single owner action — a call of corresponding *method* on the GRS side. After that, the withdrawal of funds from the deposit area is not possible during the full annual cycle of the region, after this, it is necessary to call a *method* to return the entire amount, or the accrued interest on the deposit during the first month of the year.

Any *bank deposit* that satisfies the above requirement, begins to bring the income to owner in the established percentage, selected in the framework of universal suffrage, or a built-in algorithm and taking into account the requirements at the regional level.

This means that information on the amount of funds won by the owner due to the deposit mechanism is available online and is merged only after the end of the annual business cycle, when the corresponding function is called during the first month of the year. Otherwise, the charges are transferred to the next year.

5.2.1.6. Voting system

Due to the absence of bureaucratic institutions, in the model everything is built on top of the voting system. Accordingly, as a control element of the global economy, this mechanism requires special attention, both at the level of the model description and at the level when the model reaches a *transition period*, not to mention the period when all kinds of vital consumer products are produced within the framework of the model.

At the stage of full functioning of the economic system, voting should, in theory, take the form of mandatory procedures and, within the framework of planning their own time, be appointed for strict and responsible execution, where only one vote is not enough, and in case of acute moments, every citizen of the world can create content, which would help to understand the moments of global, or regional level, based on their own level of understanding.

Access to the voting system can be provided as the course proceeds, thanks to which each participant could understand how the economic system is arranged, what tasks it accomplishes, why it exists, how tax administration and infrastructure management are organized, etc. That is, after completing the full course, a complete picture based on objective information would be formed, which would give a reasonable look at the solution of problems, otherwise the voting system can be spiked with emotional junk in a moment and can be negated the entire effectiveness of the economic system.

To motivate the development of the foundations, and then the whole set of issues solved by



the economic model, it is possible to debug the mechanisms by which each person participating in the voting would record their activity and, as necessary, thereby prolonging social guarantees for themselves. Thus, the system can solve the task of total irresponsibility and motivate people to self-organization and self-education.

The development of the standards of the economic model should take the form of universal dialogue and the ideal development of events would be the moment when people on the basis of an integral picture of the world would come to a common denominator without undue controversy. But for this it is necessary, among other things, to solve the ever-urgent problem with "physicists and lyricists", when the oceans of narrowly specialized individuals, each with a hypertrophied ego, with two percent of brain work, and as a rule see the world through the prism of their own narrow specialization. If each such representative has the skills to juggle with words, then in general it turns into a global catastrophe when the television and radio broadcasts talk about nothing and transfer of relevant topics to the issues of hundredth importance, which ostensibly should not be bother.

We will continue to disassemble serious issues that are much more significant.

At the beginning of this section, briefly, we have already talked about points that are decided by the voting system. We can classify them as follows:

1. Standardization of the economic system;
2. Optimization of the economic system;
3. Management of economic system variables;
4. Registration of budgetary organizations inscribed in the economic system;
5. Appointment of managers of budgetary organizations;

Let's go through a number of items separately.

5.2.1.6.1. Standardization of the economic system

This is a global moment, which is the most abstract and at the same time is aimed at solving organizational issues. It should be understood that we describe an open system that must meet all the principles of open source code systems.

We can designate a team responsible for the development of "Smart Contracts", and we can write code around the community and make changes based on the current needs of the economic system. It is obvious that under the second approach there will be a lot of different branches with their fundamental differences, accordingly, the voting mechanism should work to determine the most acceptable, taking into account current indicators, changes in standards.

The life cycle of the standardization of the economic system can be divided into several stages:

1. Identification of the problem requiring a solution at the standardization level;
2. Introduction of the problem for discussion;



3. Creation of the concept of the solution of the problem;
4. The choice of the most suitable concept for implementation;
5. Making changes to the "Smart Contracts" system;
6. Selection of the most optimal code for the concept after the changes made;
7. Testing and identifying errors in the code of the concept;
8. Registration of "Smart Contracts" and implementation of the concept;

Where points from the fifth to the eighth can be boldly combined under the classification: ***the optimization of the economic system***, which should proceed in a non-stop mode within the whole community and each element of optimization will be taken into account, as this will determine the speed and efficiency of the economic system.

5.2.1.6.2. Optimization of the economic system

If everything is clear on the first items (5, 6), then in the ratio of the seventh and eighth items, it is necessary to introduce clarifications.

Testing and detection of errors in the code should proceed in the mode of direct access to the source code of the optimized model. For this item there should be an established time range when the publication of the completed optimization model would be announced publicly and within the prescribed time frame, when with open access, anyone could monitor the source code before registering it, in order to detect errors or shortcomings. After the expiry of the term, the contract would be registered. Otherwise, everything should go to the fifth point, that is, to *making changes to the "Smart Contracts" system*, and then everything on a new one, up to item number eight.

Standardization, optimization and, in general, the whole approach of building a global economic system, we are looking for a method by which it would be possible to make changes to the "Smart Contract" system without affecting the performance of the system as a whole. For this, it is necessary to consider the construction of a system at the program code level in the direction of modularity, so that the system, if possible, maximally corresponds to the principle "one function == one contract". Whereas the central contract of the system would be a database that would have a set of elements containing a key-value or with respect to Ethereum — *mappings*. Where the key would match the function name, and the value would be the address of the contract.

Thanks to this approach, a picture of GRS contract development principles is formed, which consists in that there will be only one "**make**" function in direct access, in which there are only two incoming arguments:

1. The name of the called GRS module;
2. The address of the contract with the settings;

Where each internal GRS function will have only basic parameters for managing all the variables included in its composition, whereas these functions will be managed only through *modular methods*. Let's give an example:



```
contract GRS {
    .....
    /* Database of active GRS methods */
    mapping (address => bool) public activeMethods;
    /* Database of methods */
    mapping (bytes32 => address) public methods;
    .....
    /* Allowance to modify only by active GRS `Method` */
    modifier onlyByActive() {
        require(activeMethods[msg.sender]);
        _;
    }
    function make(bytes32 _name, address _subject) payable external returns (bool) {
        require(activeMethods[methods[_name]]);
        if (now >= Epoch + ((week + 1) * 1 weeks))
            week += 1;
        return Method(methods[_name]).make(_subject, msg.sender, msg.value);
    }
    .....
    function setMethod(bytes32 _name, address _method)
        onlyByActive
        external returns (bool)
    {
        require(_name.length > 0);
        require(_method > 0);
        activeMethods[methods[_name]] = false;
        methods[_name] = _method;
        activeMethods[methods[_name]] = true;
        return true;
    }
    .....
}
```



```
}  
contract Method {  
  GRS public grSystem = GRS("0x83737...");  
  /* Allowance to call only from `GRS` contract */  
  modifier onlyByGRS() {  
    require(msg.sender == address(grSystem));  
    _;  
  }  
  function make(address _subj, address _sndr, uint256 _value) external returns (bool);  
}  
contract SetMethod is Method {  
  /* Any external concept of new `Method` */  
  NewMethod public method;  
  function make(address _subj, address _sndr, uint256 _value)  
    onlyByGRS  
    external returns (bool)  
  {  
    require( _value == 0);  
    /* Basic example of function body: */  
    method = NewMethod(_subj);  
    require( _sndr == method.creator());  
    grSystem.setMethod(method.name(), method.methodAddr());  
    .....  
    return true;  
  }  
}
```

Taking into account this moment, it is possible due to it to establish the mechanism of granting access to registration of contracts only to the developer whose code has the most acceptable option and solves the issue of standardization or optimization of the functional of the economic system. In addition, it is possible to manage not only the variables of the economic system and the bookkeeping of the inter-industry balance with the help of invoices, but also the standards of the economic system, registering with *the contracts with the setting parameters* not



only new modules with their proper names, but also extensions of the GRS database.

That is, through the function **GRS.make** all key events, variables and values of the economic system are registered, that is, the possibility of expanding the GRS functionality is debugged at the expense of being included in the base contract:

1. A database containing a key-value, where the key will be the name of the function, and the value of the address of the contract;
2. Possibilities for managing **database extensions** implemented by registering contracts with key-value sets and **basic functions controlled by modular methods**;

* * *

The remaining classifications are the prerogative of both the global level, especially when it comes to variables, and regional for everything else. Therefore, in these moments, we should leave the corridor of freedom of choice and give the right to model the voting system yourself, so that on the basis of developments, regions could exchange experience.

5.2.1.7. System of social guarantees

The modeling of this moment should be done step by step, wholly following the life cycle of the economic system described by us, which we divided into three stages and indicated that the model is described starting from the second stage, ie, from the stage of the *transition period*. The *preparatory stage* will be indicated at the end of this work.

Accordingly, can the system be loaded with such super-levels of social guarantees at the *preparatory stage*, such as the development and implementation of projects of a planetary scale that would require huge injections and amortization of production capacities launched at the level of many regions? At the initial stage, the system should serve the interests of people, providing them with everything necessary, and after that, it is possible to build centers that are exclusively engaged in the optimization of science and the development of directions, which will be capable reproducing any necessary goods in a decentralized manner, to engage in the discovery of parallel worlds, to reach out to their inhabitants, and also to create them.

Nevertheless, the system of social guarantees should develop already at the initial stage of development of the economic system and serve the needs of people who invested in its foundation and support. Therefore, having broken down into components the life cycle of the system of social guarantees and including it in the life cycle of the economic system, we should get the following picture:

1. Provision of guarantees during the *transition stage*:
 1. Communities which involved in the development of the system and standards;
 2. The industries of the regional level included in the POWER block;
 3. People who contributed to the budget of the economic system and who need protection in the face of loss of working capacity or work;
 4. Communities of scientists working on the creation of fundamental developments that



can bring energy, medicine and production to a new level of decentralization and efficiency;

2. Providing with guarantees during *the operation of the system at full capacity*:
 1. Other budgetary organizations in the regions;
 2. Areas of regional level that satisfy activities on the principles of the UPGRADE block;
 3. Participating in the development and implementation of the principles of a decentralized education system built on appropriate principles;
 4. Free medicine built according to other principles, corresponding to the needs of the described model;

The system of social guarantees can include the following mechanisms:

1. Direct subsidies from the GRS;
2. Direct subsidies from the CB;
3. Partial exemption from taxes;

As we see, as shown in the scheme and as we shall see later, the system of social guarantees, first of all, is aimed at providing a block of economic drivers and regional blocks that need to pay special attention after the transition of the system to full capacity, providing people with everything necessary.

Both the GRS and the regional levels of the CB are responsible for the system of social guarantees and the level of responsibility is assigned by the functional that carries this or that type of drivers of the economy, or budget organizations in the region, as well as the functions of industries requiring special attention.

For the time being we need to leave this point in order not to outpace the events while describing it, but to give a picture in relation to the other important functional elements of the economic system and to provide a systematic description of the system of social guarantees in the process of their consideration.

5.2.2. General provisions for the contract organization

Everything regarding the organization of contracts representing wrappers around the GRS system must follow the standards of the economic system and make transactions through the GRS system. However, it is from the wrapper level that a moment comes that can be characterized by the concept of *freedom of choice*, so that by forming fundamental parts of contracts according to standards, regardless of industry affiliation, there is a huge slice of freedoms that we can use to increase the contract with our own, especially individual functionality. This point applies to all classes of contracts of *drivers* of the economy.

Due to this provision, the GRS starts to represent itself as a central, information highway with its nodes, to which diverse and constantly expanding bushes of algorithmic interactions are



joined, formed on the basis of the participants views of the economic system. Thus the principle of scaling of the bushes of algorithmic interactions growing from the level of each node can be established in the same way as the principle of modules and extensions of the GRS, when there will be additional options to increase the functionality of both the drivers of the economy and the organizations that envelop them.

Let's repeat, the main thing is that each bush of algorithmic interactions should meet the basic requirements:

1. Would be formed by the standards of the economic system;
2. Would make transactions through the GRS;

Based on this, it can be concluded that the further description of the blocks of the economic system will proceed in the mode of presenting a view on the organization of the **basic standards** that must be taken into account, as well as providing a look at the reasons for this or that approach.

5.2.3. Drivers of economy

The block of *drivers* of economy contains elements that trigger economic processes and bring them to a new level. Those, the *driver* block should in every possible way generate content of this or that level of significance and regardless of the type of *driver* of the economy.

Conditionally, the *driver* can be divided into two classes:

1. Private initiative;
2. Social organizations;

Where the classification of **private initiative** begins with the moment of activity of each individual, and the classification of a **social organization** can be attributed to any activity of two people and more, who use specially equipped premises for research, training other people and creating content. This suggests that *drivers* organized on the basis of social organizations *intersect with contracts of budget organizations in the region and can be one*.

The *driver* block contains the following types:

1. People;
2. Science;
3. Education;

Where all three types of drivers can be attributed, with equal importance, both to the class of *private initiative*, and to the class of *social organizations*.

Given that the economic system is working for the benefit of humanity, liberating people's time spent on monotonous, debilitating work, the system of economic *drivers* must be built in such a way that it meets two basic requirements:

1. Openness;
2. Flexibility;



Where openness would be realized on the basis of universal access to all forms of content generated by the block of *drivers* and for anyone, and flexibility would imply a blurring of the boundaries between all three types of the block — people, education and science.

We emphasize that the task of decentralizing the economy must meet precisely these two requirements, and it is precisely in this formulation of the problem, that is, *openness* erodes the hierarchy, and *flexibility* erodes the differentiation of people into statuses in society, which are only an amplification for the mental "cage" in the linear development of the current civilization.

5.2.3.1. Openness

This is the moment which, as we have already said, erodes the hierarchy, that is, the logic by which narrow groups of individuals are served, while the bulk of the population consumes "popcorn and chewing gum"¹⁴. In the framework of openness, today there are quite a lot of social organizations working to publish the most relevant content, that is, the result of the latest research. In this regard, there is nothing to add, since any user of the network is able to analyze the principles of dissemination of information and derive from this information the regularities, especially since this moment often depends on the ideology of those people who create a particular content and have either a desire act in the logic of openness, or it is not. Therefore, the software infrastructure provided for today either works for the sake of their openness, or works for the benefit of their preferences to withhold the extracted information. However, the development of social processes speaks more about the fact that the volume of information obtained by ordinary people plays more in favor of openness than in favor of concealment, which can be safely denoted by a stable trend.

The question is only in the amount of research conducted by people themselves, which leaves much to be desired and openness, as a rule, does not carry in itself a proper amount of useful information. To solve the problem of motivation, the logic of building the driver's block of the economy and the *flexibility* should play a serious role in this process, which can lead to an explosion of research impulse and a surge of new discoveries.

5.2.3.2. Flexibility

As mentioned above, flexibility should solve the problem of eroding social labels. The logic is that we solve the problem of decentralization, in which each person is an explorer, scientist and teacher. This moment is to some extent realized today. The only problem is that free researchers do not find a proper response among people who have left the womb of a traditional school.

The fact is that two approaches to education have different consequences in terms of the principle of searching, analyzing and processing information. Free researchers, as a rule, do not have moderators, accordingly, the path of movement towards the ultimate goal for each person is purely individual, which brings additional points to such an experience, if viewed from the outside at the moment when each researcher shares his observations, because individuality gives rise to a special, not like other views on things. *This is what should be the value of the system of drivers of the economy.* Since everyone who passes the school from under the "claws" of the moderators, he

14 And thinks that this is the peak of freedom and the flight of scientific thought.



usually has a rather narrow horizon and such people usually do not have doubts about the information received, since a situation arises that a person ceases to think with his head¹⁵ and starts thinking by patterns, which affects the loss of value of each received bit of information.

Any information should be passed through the filter and, in case of its uncertainty, be placed in the "quarantine" zone for its subsequent analysis with a wider set of facts and fundamental representations in the future, rather than be hammered at the mere hint of the existence of such information.

Let's add to all this the quality of certified teachers who come day by day to work to talk, write and evaluate information, **the content of which does not change for decades**. As a rule, mature teachers turn into a kind of cyborgs who can not, not only discuss new ideas, but they are not even able to go beyond the age-old dogmas. Is it possible to affirm the objectivity of such individuals, whose powers also include the function of moderating students knowledge, as well as their attestation?

It can only be asserted that this approach solves one single task, the problem of **integration into a hierarchically ordered system** with its **vertically** oriented elevators. We solve a completely different problem.

A person is constantly experimenting, making mistakes, searching for and extracting information by his work, much more valuable in the coming epoch, rather than a cyborgized individual of an indeterminate sex for whom needs to gift flowers on the day of the teacher. Therefore, it is necessary to simulate a block of economic drivers in such a way that each person can consider himself as scientist and discoverer, especially when his works find the proper response among people who are engaged in the same, but at any other end of the Earth and are ready to come to similar conclusions.

Let's add to these theses the fact that due to this kind of approach, the development of social processes should take place not linearly, but exponentially, due to the fact that information updating will be achieved not at the expense of bureaucratic institutions managing moderators and the content provided by them, but by itself and by the picking up ideas and by its further them development. After that, each updated information module will be launched towards the new consumer, who will continue the process following the same logic and for completely objective reasons, i.e. without anyone else's intervention.

It follows that all types of *drivers*, at the level of *private initiative*, must be a **single contract**

15 The word "head" should be enclosed in quotation marks, for the purpose that this is one of the patterns associated with understanding the essence of the question of thinking. The fact is that a person in itself is an information system that interacts with a multi-level information circulation system, therefore each body can be responsible for this or that component of the sample of information from the whole stream. The brain, in this case, plays the role of a decoder and a computing system, whereas the very concept of Consciousness is concentrated in another dimension and the body in this understanding of the question is only a functional system for interacting with the physical world. This explains the moment with the fact that each person has access to the "Internet" of the Cosmos, which displays information not only happened on the fact, as in the case of a worldwide network of computers, but also is able to interact with pulsations from the future. All this is possible precisely because Consciousness is in the free space-time continuum. This work is an example of using the described functional, which is available to absolutely every person.



without special additions, which is given out to each person immediately after his birth.

Contracts with the classification of *social organizations* should be a wrapper around the basic contracts of the *drivers* of the economy, which have a classification of *private initiative*. Where all processes are managed with the help of private individuals registered on its side and financial support from the financial regulators is sent to the side of the wrapper, for the purpose of further distribution to the needs of organizations that will be part of the infrastructure of the regions.

For the organization of such logic, the idea of creating a unified knowledge-sharing system suggests itself.

5.2.3.3. Knowledge sharing system

This is a system through which can manage the process of own education, as well as the process of disseminating knowledge developed within the framework of private initiative and by every inhabitant of the planet Earth. That is, it is the mechanism that should blur the notion of the usual for all system of providing information by the bureaucratic educational institutions, through which every achievement must be registered on the side of specialized database contracts.

This is a system of decentralized nature, which takes into account all events and activities of each participant, on the basis of which, in the future, it will be possible to determine the level of their competence. The system should be managed by people themselves and standardized by their efforts **on the basis of real achievements**, which are formed due to certain innovations and discoveries confirmed *by real developments and technologies*. Activity of participants will directly influence the share in the system of social guarantees, and also thanks to the system of knowledge sharing, it will be possible to formulate requests for raising funds from the GRS budget, from the CB, or from the private investments that will need to be spent in the framework of the planned research activity.

For such an organization, it is necessary to divide the knowledge sharing system into classifications, which ideally should be the steps that all active participants in the economic system follow. That is, each stage is a process of becoming a reasonable person:

1. Human-student;
2. Human-researcher;
3. Human-teacher;

Where consistency is obviously not unidirectional, but can move from the 3rd level to the first and vice versa, and as the new topic, new knowledge and skills are mastered, and in a constantly updated information environment, each person, at a certain stage of his own development, will be on all three levels, always and immediately, that is, be a student, a researcher, and a teacher at the same time. If it concerns the human-teacher, then to manage the level from which the fundraising is determined, if it concerns a system of social guarantees, it is necessary to introduce such a concept as ***belonging to the language system***. Thanks to which will be possible in automatic mode:



1. Identify the regional or global significance of the information provided;
2. To motivate each person to master the languages of the international level;

The second point is all the more important if the level of social guarantees will be slightly higher when moving from the GRS.

Where the languages of the international level can be rightly considered to be Russian and English. Each of the presented languages, leading on the Internet, has its advantages. In short, the advantages can be described as follows:

- The English language is perfect for writing programs in the usual for all — binary logic¹⁶ and in English we can communicate expressing thoughts briefly and succinctly;
- The Russian language is perfect for describing the deep processes in various kinds of phenomena of nature and life;

Moreover, this approach has one more functional load, which is related to the amount of information generated within these two languages. Few people will dispute that the **less people** belong to a particular language system, the probable **less smaller amount** of information this people have available. If we take into account such a concept as *the experience of the people or the nation*, it is quite obvious that it is provided due to the accumulated experience of previous generations. **The more amount** of different-quality information within the framework of a particular language system is available, **the more a wide range of issues** the people are able to solve in a wide section of their culture, at one or another period of their own development.

Therefore, the moment with languages is taken into account not because of some nationalistic coloring, but because, by the languages given in the examples, it **is possible to provide a much wider range of illuminated questions to small nations**, due to which **they will expand the corridor of freedom of choice in terms of self-education and self-development**. This is one of the key points on which the described economic system is aimed, since without the proper level of opportunities given for self-organization of a person, it is completely pointless to talk about processes of a wider scale.

5.2.3.3.1. The system of organization of practical part

Not one information module produced on the vastnesses of the world network can not be properly understood without having the proper level of practice. In this role, educational institutions can play an excellent role, which can be just as much a platform for creating educational content laid out in the network.

Moreover, not everyone is able to learn independently, for support there should exist similar institutions, where the participants of economic activity who have this or that research, life, or

¹⁶ Who knows, maybe the Russian language will replace English from the leading positions when quantum computations will be available and when the question of programming in the "qubit" coordinate system will be the most acute, since Russian can be considered a leader in terms of the possibility of expressing as indeterminately as possible, then as English is more intended to describe a rigid logic. Programming processes in the language of uncertainties and calculating the result in a chain of undefined sequences - who knows, maybe such a pun will weigh in the world of quantum computing.



scientific experience can act as teachers. It is clear that basic skills people can learn both within families and with the help of similar organizations.

But the main function that such institutions should perform is the provision of equipped facilities to the society, within the framework of which people, regardless of age, could realize their ideas. If a person does not have arms connected with the thought process, then for such a person is quite difficult to understand many fundamentally important things. This kind of task should be solved by such kind of *research centers* available to anyone who wants and which enter to the framework of the developed infrastructure of the regions.

5.2.3.4. Organization of contracts of private initiative

The contract must be organized in such a way that it contains the basic types of constants containing information established at the time of birth:

1. First name;
2. Sex;
3. Date and time of birth accurate to the minute by UTC;
4. Geographic coordinates of birth (Latitude, Longitude);
5. Addresses of parents contracts;

Where the time of birth is entered in Unix format from the beginning of the era. Therefore, in the case of older volunteers, it is necessary to specify 1 (unit) in the main transmitted variable responsible for age and add the number of seconds to the additional variable on which the person is older, that is, before January 1, 1970.

Next, will need to specify variables that contain information that can be updated in the process of individual activity:

1. Last name;
2. The address of the contract of the CB;
3. Address of residence;
4. The address of the personal page in the knowledge-sharing system;
5. Addresses of contracts containing information about personal achievements;
6. Addresses of contracts of public organizations;
7. Address of the contract of the spouse;
8. Addresses of contracts of children;

Any contract that identifies a person, by default, gives the owner the rights of a private entrepreneur, without the need for additional procedures. Pay attention to the conduct of private entrepreneurial activity will need to be identifiers of transactions or invoices, in order to take into account the activity in the overall system of inter-industry balance. Let's return to this moment at more detailed description of following blocks of the economy and the industries included in them.



In the case of the union of two hearts, the algorithm is organized as follows:

1. Registering to the owners driver contract the address of the contract of the chosen person;
2. Confirmation by the chosen person of her / his address on the side of the owner's contract;

These two steps need to be carried out on the side of the contracts of both sides. After that, the married couple have the opportunity to register a family contract, to manage the family budget together. Each such union can be safely attributed to *social organizations*.

To make changes in the contract, each owner of a personal contract can only after reaching 16 years from the moment of birth. Until then, only the parents can manage the contract variables.

5.2.3.5. Organization of contracts of social organizations

As mentioned above, this type of contracts is a wrapper around *private initiative* contracts and in many ways should be a system of collecting votes for constantly emerging projects that need to be implemented. Therefore, this type of contracts, including can be given to freedom of choice, with the only proviso that in the case of providing paid services, the contract would correspond to the standards of the economic system.

From the level of such contracts should be managed:

1. System of organization of practical part, or research centers;
2. Family unions;
3. Health facilities and health systems;
4. Other budget organizations of regional infrastructure;

Due to which the necessary wage labor is paid, equipment and materials are purchased. Given the specific localization of such institutions, the contract party must contain the address of the regional CB, which would be responsible for the state of the budget of each inscribed organization.

5.2.3.6. Issue of currency

It is quite obvious that this phenomenon will have a rather massive character. The production of a fiat currency should be a mechanism for an additional line of replenishment of the private budget, or the budget of the community and organization. In this regard, there are many different models of implementation, some of which can be taken from the day of today.

Many miners to mine currency uniting in mining pools, i.e. sum up the processing power, which contribute to increase the chance of winning. Each mined block is distributed among the participants taking into account the introduced power into the system.

The emission mechanism for the regions can be implemented taking into account the pooling of regional capacities, where the percentage of the extracted currency goes to the regional budget,



and the allocation is made between the contracts of the participants and the percentage deduced for the needs of the region is mathematically calculated taking into account the current functional of each participant within the framework of the regional economy. Under these conditions, those industries of the economy that are especially socially significant at each particular moment in time, which is determined both by the participants in the economy and by the algorithm created by them, can automatically be privileged and subsidized.

Moreover, each representative of a private initiative playing a role in decentralized issue of currency through this kind of regional pool, does not lose the opportunity to pretend for social guarantees at the regional or global level.

5.2.4. General provisions for the organization of contracts of industries

When setting the task of organizing contracts for the inter-industry balance, it is necessary to determine several key points:

1. To which industry does this or that activity belong;
2. To which block should be attributed the industry;
3. How to measure the volume of goods and services produced by the industry;
4. What is the length of the economic cycle of the organization, i.e., what is the deadline for execution, within the limits of which the necessary volume of goods and services is produced using the established units of measurement;
5. How to record activity if an organization / entrepreneur participates in the development of several industries;
6. How to control an organization carrying out unacceptable activities that adversely affect the environment, or from behavior in the market from which other participants in economic activities are suffer;
7. How to organize the accounting of the turnover of all goods and services on a global scale, forming the minimum possible cost of each transaction;

A separate point is the issue of how to organize the private activity of each participant in the economic system who owns only the primary, personal *driver* contract, which, as mentioned above, gives each owner the right to engage in private business.

It follows that the further description of the inter-industry balance, when considering the remaining blocks of the economic system, will answer the first four questions, simultaneously giving an idea of deeper moments, prospects for development and optimization. The remaining questions from the list of key points will be considered in this section, while giving an idea of the general aspects of the organization of contracts.

To begin with, we will determine that each industry of the economy has a different range of goods and services, each of which must be recorded. This is all the more important if it concerns the mining industry and the timber industry, with the help of which it is necessary to take into account the volume for each type of wood, or the ore introduced to the market, in order to monitor



the ecological situation of the regions. If it concerns mechanical engineering, then from the type of special machinery depends the development of the sectors of their acquiring, and so on.

Also there are products that are monetized through the functions of advertising from third parties. Typically, such products are informational in nature, they are provided in the form of online services, information, or news content.

We also need to standardize the system in such a way that there is no need to pile it by a bunch of excesses and provide the most optimized option already at the initial stage, so that the organizers spend a minimum of time to develop a contract. To solve this problem it is necessary:

1. Expand the functionality of regional CBs considered by us by public contracts of databases, where for each region there is a set of contracts with similar functionality and a personal contract:
 1. For each industry;
 2. For each type of goods and services of the *industry*;
2. For each type of goods and services of the *company* would be created a personal contract, in order to take into account sales and redirect registration to public database contracts;
3. Register a separate contract of the *invoice* by the seller at the request of the buyer;
4. Properly arrange personal contracts for companies;

Now everything is in order and with pictures. In the basic, personal contract of the company, at this stage, can prepare the following types of data:

1. Name of the organization;
2. The address of the regional CB contract, if the industry is not included in the SW block;
3. List of addresses of personal contracts of company owners;
4. List of industries in which the company operates;
5. Functions for the payment of products and services from the other companies;
6. Functions of payment of wages to employees;
7. List of company employees:
 - mapping (employee ID → personal contact address);
8. Functions of reception of estimations of activity from inhabitants of region;

Where, by virtue of the fact that all transactions pass through the GRS contract and a contract of invoice is created beforehand, **the payment functions of the products to purchase** must contain only one argument of the input data:

- The address of the *invoice* contract;

Those, thanks to the data included in the invoice, the GRS determines all the necessary



parameters of the transaction, which favorably affect the accounting. We will talk about this soon.

As for the functions of receiving activity assessments from the residents of the region, they should contain the collection of characteristics issued directly by the inhabitants of the region. This mechanism will carry the function of public control. While we can theoretically fix a number of fundamental features of this approach. The mechanism should, first of all, through the activity of the inhabitants:

1. Protect the ecology of the region;
2. Assess the quality and openness of doing business, and following all the principles and standards of the economic system;
3. Assess the level of service of the company;
4. Assess the quality of goods and services of the company;

Where the first two items can be organized by collecting "points", upon reaching the established limit, the company and its owners lose the right to engage in entrepreneurial activity for the near future, and if such an accumulation of negative feedback is repeated, the owners lose the right for a longer period.¹⁷ Each "point" must be submitted in the form of the address of the contract, in which the main claims to the company are fixed. Whereas on the other two items, it is possible to collect estimates on a five-point scale. Each of these types of fees would be good if they are zeroing out every 3-5 years¹⁸. We will consider this procedure in relation to *systems for limiting permissiveness*, when in addition to the restrictions delegated to the contract, fines are imposed, each of which is strictly regulated and registered on the Blockchain side. Thus, each registered "point" is fixed in the sphere to which the offense of the company belongs, where for each type of restrictions there is a limit on "points".

In connection with all that has been said and when answering the question about organizing a personal contract that would confer every owner the right to conduct business without additional procedures, then the principle of organizing the list of industries and functions of payment for manufactured goods and services can be imposed on personal contracts with only a proviso that if there is a need to recruit people, it will be necessary to expand their rights by registering a separate company with an expanded list of opportunities. As for family unions, why not allow people at the earliest stage of organizing a family contract to provide an opportunity to engage in entrepreneurship in the broadest sense of the word, creating a family business on the basis of the principle of registration of a family union. With this approach, it is better to limit such participants in the development of social organizations that exist due to injections from the regional budget or the GRS, and provide access to the development of only the family business.

By the time of individual entrepreneurship, to add the following is necessary. How to

17 This moment can be realized both on the side of the GRS by usual collection of signatures of participants in the economic activity of the region to which the company belongs, and on the side of the contract of the company. However, it's much better to duplicate the functional implemented here and there.

18 This is due primarily to the fact that due to the accumulated estimates, new, promising companies that are ready to offer no less qualitative service may lose themselves in the general mass, whereas old companies very often after a certain period lose interest in offering the former level of service.



account for taxation in a similar activity? It is enough to separate the spheres in which consumer goods are consumed from the spheres in which the goods necessary for supporting entrepreneurial activity are consumed. In general, the task is quite simple if consider it from the perspective of levying a transaction tax, so that when purchasing food, or services for private persons will additionally collect a regional wage tax, in addition to the tax on the deal being made. To send this kind of tax is necessary to the account of the CB and regardless of the location in which the deal was made.

5.2.4.1. Accounting of goods and services

This is the most crucial moment of the entire economic model, without deciding which, people will not have the opportunity to monitor all events and make forecasts of development, and also to identify those areas that require additional efforts to saturate the market with goods and services, both at the regional level and in scale of the whole planet. As it becomes clear, each transaction is a complex process from handling the databases and data distributions between contracts. Therefore, in order to optimize the accounting process, it is necessary to establish a mechanism in such a way that each transaction has the lowest possible cost, in the understanding of the cost per transaction in relation to the Ethereum Blockchain. First, consider the following diagram (SALES DB).

Schematically, the sales chain is conditionally divided into two parts:

1. *The left part:* contains private data for each deal;
2. *The right part:* contains public data of total amounts on sales;

Where from left to right are displayed in order:

1. Personal contracts of companies;
2. Private invoices;
3. Contracts **with characteristics of products of companies** belonging to one or another industry;
4. Public contracts for each type of products produced by the **industry**;
5. Public contracts of industries of the economy;
6. Databases of GRS and regional CBs;

The main task of the seller of the goods and services produced by it is to correctly and by general standards formalize the contract of the product or service to be fixed (for fixing sales) and invoices (for fixing sales and purchases) for the accounting chain and for properly function. For this, *the contract of the product or service* to be produced and sold must contain:

1. The address of the public contract of the product type relating to the industry;
2. The volume of goods already produced (if necessary, and the industry does not belong to the category of services);
3. The volume of goods or services sold;



4. The address of the personal contract of the manufacturer;
5. Specifications of the product or service;
6. List of addresses of contracts with reviews for the product;

Then the *invoice contract* is presented in the following form:

1. The address of the personal contract of the manufacturer;
2. Address of the buyer's personal contract;
3. Amount to be paid;
4. Boolean payment mark;
5. Boolean direction label, which determines the direction of cash flow, with the help of which it is possible to separate retail from commodity producers;
6. The identifier of the industry in relation to which the **purchase** takes place;
and for each type of goods and services:
 1. The address of the contract of the product being sold;
 2. Amount;

Accordingly, the process of fixing **to the sales side** will occur only after payment on the invoice and during the change in the summary indicators in the contracts (along the chain to the right, or following the addresses indicated in the contracts):

1. Contracts of company products;
2. Public contracts for types of products of the *industry*;
3. Public contracts of the industries of economy;

Where at the level of databases of CB and GRS will instead of fixing to occur only calculations due to the summation of indicators in the industries of the economy.

Fixation **in the direction of purchases** will be made on the basis of the industry identifier to which the range of goods and services belongs, fixed in the *invoice* and for each of the types of goods and services **purchased**:

1. Access to the database of the regional CB with an industry identifier to identify the address of the contract responsible for the industry in the **buyer's** region;
2. Fixing the volume of purchases in the database of the industry of the **buyer's** region, for each type of purchased goods;

Where on the side of contracts of regions responsible for the regions of the seller and the buyer, in the case of **interregional deals**, the *regions are fixed*:

1. *Industry of the seller*: To whose side the sale is made;
2. *Industry of the buyer*: On the part of which the purchase is made;



Note that with this approach, the purchaser must indicate in the application the identifier of the industry in relation to which the purchase is made. To solve this problem, it is possible to implement the order process in such a way that at the time of the **conditional** application, the company of the seller would register an empty contract in the form of a basic *invoice* structure with an identifier of the buyer's industry, after which he or the buyer directly has the opportunity to indicate in it all required products and services from the entire range of the seller's goods. To do this would be entered two arguments into the function of registering goods in invoice and for each specific product or service:

1. The address of the personal contract of the purchased product;
2. Procurement volume;

In this case, due to the fact that each invoice payment will be accompanied by appeals to the production accounting contracts, it is necessary to enter a limit on the number of goods in the same invoice in order to reduce the load on the stack and the cost of the Ethereum transaction when paying. Taking into account this point, it becomes reasonable to make a restriction in the form of registration of *invoices* only for a particular industry in relation to which the purchase is made. In the case of activity in different industries, the buyer company, with purchases in the direction of different industries, should formalize the purchase of a separate *invoice*.

If it concerns the sale of goods and services not belonging to the producer's responsibility but requiring registration in the invoice (for example, transportation), then it is sufficient to indicate in it the address of the product or service contract of another company that will participate in the deal on a fixed service value, then the chain of events fixation will not differ from that considered above, since due to the logic of registration of invoices, *it does not matter who sells this or that product from the manufacturer's warehouses*.

The system of accounting on the side of the contracts of the industries will be conducted within the framework of the weekly cycles **from the beginning of the new Epoch**, which will be appointed at the time of registration of the GRS contract and will be of the beginning of the first full week after its initial registration, when the incomplete first week will be zero and the week from the beginning of the new era - **the first**. Or 0 hours, 0 minutes, 0 seconds of the first, following the registration of the GRS of Monday to UTC.

PRIVATE DETAILS PUBLIC TOTALS

SALES DB

COMPANY1

LCB1 ADDR;
INDUSTRY ADDRS:
• HW_INDUSTY1;

HW

HW_INVOICE 1.A
BUYER ADDR;
HW_P 1.1.1: 70 U.;

HW_INVOICE 1.B
BUYER ADDR;
HW_P 1.1.1: 20 U.;

HW_INVOICE 1.C
BUYER ADDR;
HW_P 1.1.2: 20 U.;

HW_INVOICE 1.D
BUYER ADDR;
HW_P 1.2.1: 10 U.;

HW_INVOICE 2.A
BUYER ADDR;
HW_P 2.1.1: 10 U.;

HW_PRODUCT 1.1.1
OF COMPANY1
HW_PR TYPE ADDR: 1.1
• PRODUCT SPECS;
• SOLD: 90 U.;

HW_PRODUCT 1.1.2
OF COMPANY1
HW_PR TYPE ADDR: 1.1
• PRODUCT SPECS;
• SOLD: 30 U.;

HW_PRODUCT 1.2.1
OF COMPANY1
HW_PR TYPE ADDR: 1.2
• PRODUCT SPECS;
• SOLD: 30 U.;

HW_PRODUCT 2.1.1
OF COMPANY1
HW_PR TYPE ADDR: 2.1
• PRODUCT SPECS;
• SOLD: 10 U.;

HW_PRODUCT TYPE 1.1
INDUSTRY ADDR:
HW_INDUSTY1;
SOLD TOTAL: 120 U.;

HW_PRODUCT TYPE 1.2
INDUSTRY ADDR:
HW_INDUSTY1;
SOLD TOTAL: 30 U.;

HW_PRODUCT TYPE 2.1
INDUSTRY ADDR:
HW_INDUSTY2;
SOLD TOTAL: 10 U.;

HW_INDUSTY1

SALE STATS:
• FOR EACH REGION;
• LOCAL SALES;
SOLD TOTAL: 150 U.
PURCHASE STATS FROM EACH REGION:
• FROM EACH INDUSTRY;

GRS DB

- HW_INUSTRY1 TOTAL: 150 U.;
- HW_INUSTRY2 TOTAL: 90 U.;
- HW_INUSTRY3 TOTAL: 130 U.;
- PW_INUSTRY1 TOTAL: 150 tons;

COMPANY2

LCB1 ADDR;
INDUSTRY ADDRS:
• HW_INDUSTY2;
• PW_INDUSTY1;

HW POWER

HW_INVOICE 9.A
BUYER ADDR;
PW_P 1.1.1: 70 U.;

PW_INVOICE 1.B
BUYER ADDR;
HW_P 2.2.1: 10 U.;

PW_INVOICE 1.C
BUYER ADDR;
PW_P 1.1.2: 10 tons;

PW_INVOICE 1.D
BUYER ADDR;
PW_P 1.2.1: 30 tons;

PW_INVOICE 1.E
BUYER ADDR;
PW_P 1.2.1: 20 tons;

HW_PRODUCT 2.2.1
OF COMPANY2
PW_PR TYPE ADDR: 1.1
• PRODUCT SPECS;
• SOLD: 80 U.;

PW_PRODUCT 1.1.2
OF COMPANY2
PW_PR TYPE ADDR: 1.1
• PRODUCT SPECS;
• SOLD: 20 tons;

PW_PRODUCT 1.2.1
OF COMPANY2
PW_PR TYPE ADDR: 1.2
• PRODUCT SPECS;
• SOLD: 50 tons;

HW_PRODUCT TYPE 2.2
INDUSTRY ADDR:
HW_INDUSTY2;
SOLD TOTAL: 80 U.;

PW_PRODUCT TYPE 1.1
INDUSTRY ADDR:
PW_INDUSTY1;
SOLD TOTAL: 100 tons;

PW_PRODUCT TYPE 1.2
INDUSTRY ADDR:
PW_INDUSTY1;
SOLD TOTAL: 50 tons;

HW_INDUSTY2

SALE STATS:
• FOR EACH REGION;
• LOCAL SALES;
SOLD TOTAL: 90 U.
PURCHASE STATS FROM EACH REGION:
• FROM EACH INDUSTRY;

PW_INDUSTY1

SALE STATS:
• FOR EACH REGION;
• LOCAL SALES;
SOLD TOTAL: 150 tons.
PURCHASE STATS FROM EACH REGION:
• FROM EACH INDUSTRY;

LCB1 DB

- HW_INUSTRY1 TOTAL: 150 U.;
- HW_INUSTRY2 TOTAL: 90 U.;
- PW_INUSTRY1 TOTAL: 150 tons;

COMPANY3

LCB2 ADDR;
INDUSTRY ADDRS:
• HW_INDUSTY3;

HW

HW_INVOICE 3.A
BUYER ADDR;
HW_P 3.1.1: 60 U.;

HW_INVOICE 3.B
BUYER ADDR;
HW_P 3.1.2: 70 U.;

HW_PRODUCT 3.1.1
OF COMPANY3
HW_PR TYPE ADDR: 3.1
• PRODUCT SPECS;
• SOLD: 60 U.;

HW_PRODUCT 3.1.2
OF COMPANY3
HW_PR TYPE ADDR: 3.1
• PRODUCT SPECS;
• SOLD: 70 U.;

HW_PRODUCT TYPE 3.1
INDUSTRY ADDR:
HW_INDUSTY3;
SOLD TOTAL: 130 U.;

HW_INDUSTY3

LCB2 DB

- HW_INUSTRY3 TOTAL: 130 U.;



5.2.4.2. The system of reducing the burden from mediation

Thanks to the algorithmic principles of organization of the economy, due to decentralized program mechanisms, there is a huge scope of opportunities that allow to optimize the economy more efficiently and exclude from it many elements, especially those that arise between the buyer and the producer in the sales chain. We try to take into account each unit of production on a global scale, where each element of accounting is strictly registered on the side of a personal contract. Accordingly, a whole section of additional mechanisms appears, thanks to which it will be possible to organize direct relations between the producer and the purchaser. This is all the more important if it concerns products such as food.

We already know enough about various kinds of online services aimed at providing this or that information. Therefore, it is sufficient for us to present a scheme of actions of the following type. Suppose we are active in industry A and we need to make a purchase in the industry B of a certain type of product and we are not sure exactly who is the manufacturer of the necessary product and whether it is located in our region or not. Then we turn to the service, where:

1. We choose industry B;
2. We choose the necessary type of product of industry B;

And we get a list of all manufacturers for each region, with specifications for each product and a database of feedback on them, as well as on each manufacturer. After that we send an application for the most acceptable list of products to the manufacturer, we expect an invoice, which can obviously be generated automatically, pay for it and expect delivery.

5.2.5. Block of SW industries

We approached the industry blocks directly. The SW block, as for many it became clear, is named in honor of such a concept that has come into use as "software". This block is taken out of the limits of regional CBs and all its products are weakly tangible, especially if we consider it using such a notion as a multiplicative effect. In spite of this, all the content created by companies working in its logic forms a new reality that is reflected in the logic of the behavior of all mankind, since it directly relates to the means of communication of people. Therefore, our task is to identify the features of these areas of the economy.

It is necessary to clarify. We are not faced with the task of completely painting all industries of the economy for each of its blocks, with all types of goods and services produced. We, at the current stage, set the task of describing the principles of the new economic paradigm, or, more precisely, how it could be arranged. Accordingly, all subsequent work will consist in identifying the features of certain economic blocks, the possibility of their optimization, as well as the fundamental differences in the organization of contracts for each of them.

Let's start with the distinctive features of the industries entering the SW block:

- Possibility of providing goods and services on the Internet;
- Low degree of multiplicative effect;



- High degree of information component of goods and services;
- Possibility of digital copying of the produced, final product;
- High degree of influence of content on people's behavior or their organization;

On the basis of this, it is possible to attribute to the SW block such spheres as:

1. Online services;
2. Mass media;
3. Online advertising;
4. Trading platforms;
5. Cinema;
6. Production of software;
7. The industry of computer games and virtual reality;

Where ways of earning in the spheres of providing goods and services can be conditionally divided into two groups:

1. Earnings through the sale of mechanisms for advertising;
2. Earnings through the sale of created goods and services;

All types of manufactured goods and services have one more distinctive feature, namely, due to information and digital character, they all have the ability to collect statistical data from the behavior of Internet users, globally, or regionally and in a non-stop mode. Due to what these spheres are most influenced by the bureaucracy and often, as a rule, they eventually begin to serve bureaucratic interests.

The service is carried out in several directions:

1. Providing personal information and behavior statistics;
2. Manipulation of algorithms;
3. Distortion of publicly available statistics;
4. Pumping an information matrix with content that is in the zone of interests of the bureaucracy;
5. Exception from the information background of the content matrix, which is going crosswise the interests of the bureaucracy;

This whole range of services is strengthening the bureaucratic, global apparatus in the field of controlling the behavior of the masses and with absolute, personal disorientation, the masses are controlled through mechanisms provided by digital goods and services. However, we face the task of excluding any kind of bureaucracy from the economic system, so this block is moved beyond the regions and it has its own explanations.

Due to the fact that the range of services provided to bureaucratic authorities can at the same



time be provided to third parties interested in this kind of manipulation, there may arise a situation where at the regional level there will be a kind of digital "oligarchy" or bureaucratic machine of "high technologies" controlling information flows generated by society. Therefore, the removal of the SW block outside the regional blocks is conditioned by the fact that it is necessary to bring the initiative of the companies into the channel of serving the interests of all mankind, both at the level of providing goods and services, and at the level of filling the GRS budget. And it does not seem strange that the whole block, in due course, should, for objective reasons, flow into the DRIVERS block area, due to the development of high-level social and self-organizing processes. Let us dwell on this point in more detail.

5.2.5.1. Prospects for SW block optimization

We have already examined the block of drivers of the economy, in order to reveal its distinctive features and functional concluded within its organizational constituent. Accordingly, the focus of SW is that it takes place and develops in the current economic paradigm, when there are disparate elements of the economic system in which many companies compete by copying a product of intellectual creativity and creating something new in a competitive environment. To feel the course of thought, it is necessary to turn on the imagination a little.

Imagine a situation where social processes and software have reached such a level that there is no need to use third-party products and services, because the economic system **is a single, monolithic online service**¹⁹, where the block of drivers of the economy is busy that:

1. Online services would represent a part of a single system and would be available as open source codes;
2. The mass media would be part of a common, decentralized system of providing knowledge and skills;
3. Earnings from online advertising would go to the general budget for the development of drivers of the economy, and not to the corporate budget;
4. The commission with sales in conditions of trading platforms would fill up the budget of the GRS;²⁰
5. Cinematography would not be aimed at selling "popcorn and chewing gum" for the crowd, but for the development of science and the general system of knowledge;
6. The production of software would be entirely within the framework of open source codes, the final compilation of which would constitute a single service that would allow, **in the order of input variables:**
 - Design residential complexes and infrastructure of the regions;

19 There may be a question about how to fit the content generated by mankind and how to manage it without the appropriate corporations? The answer is obvious. By that time, the computing power and the capacity of information storages will reach such a level that if each family union is parallelized within the household and their the server is included in the general system of computing, collecting and analyzing data, then it is possible to achieve incredible scales and opportunities of a decentralized nature.

20 And this moment we have already considered as the options included in the economic system by default.



- To model technical devices;
 - Create high-quality media content;
 - Create high-level software products;
 - etc.;
7. Computer games and virtual reality would play the role of virtual means of mastering knowledge and skills, in conditions of remote interaction of people among themselves;

Accordingly, as the described system develops, the SW block and all goods and services generated by it can be safely presented in the form of a *block of expenses inherited from the current economy* and, on the basis of this, model the components that are relevant to it.

5.2.5.2. Principles of accounting of goods and services for SW block

At once it is necessary to make a reservation that the way of activity of the companies considered by us within the framework of several blocks and industries is not applicable to the SW block, for the reasons that it is transferred beyond the regions and is burdened by additional mechanisms of taxation. Therefore, before activating in the sectors of this block, it is necessary to fix a separate company that will be inscribed in it.

To solve the problem with the units of measure that compute the goods and services to be sold, it is necessary to start with the ways of earning we have considered:

1. Earnings through the sale of mechanisms for advertising;
 - It is calculated in hours of views of advertising content;
2. Earnings through the sale of created goods and services;
 1. When selling temporary content:
 - It is calculated in hours of consumption of content per person;
 2. When service fee from sales of goods and services in the conditions of trading platforms:
 - Calculated in units of the number of deals;
 3. When selling a software license:
 - Calculated in units per person;
 4. When selling a license to view content:
 - Calculated in units sold;

Where each of the types of goods and services can be safely put into the annual economic cycle, otherwise, for each type of goods or services, in case of going beyond the annual production cycle, it is necessary to designate the length of the production cycle in the personal contract of the company's goods.



5.2.6. Block of infrastructure of regions

In addition to the fact that the block of regions includes functional blocks of the regional economy, it itself has functions as classifications of a certain kind of industries, as well as structures that serve the infrastructure of the regions. Particular attention is required by such structures, thanks to which the infrastructure of the regions **within the current economic paradigm** is kept in order and the rules of the shared household of state established by the bureaucracy are respected.²¹ They can be divided into several types, each of which includes the relevant spheres:

1. Mechanisms for limiting permissiveness:²²
 1. Environmental protection;²³
 2. Police;
 3. Tax police;
 4. Migration office;
2. Mechanisms of control, development and management of quality:
 1. Fire safety control;
 2. Quality control of construction works;
 3. Engineering companies;
3. Systems for resolving unforeseen circumstances:
 1. Fire stations;
 2. Rescue services;
 3. Polyclinics, hospitals and medical institutions;
4. Office systems serving infrastructure and adjacent territories:
 1. Educational institutions;
 2. Street services and street cleaning services;
 3. Garbage processing;
 4. Forestry;
 5. Urban transport and management systems;
5. Insurance services;

All these spheres, in the current economic paradigm, are usually managed by the city and

²¹ An ideal option is considered, when the bureaucratic apparatus did not degrade to the level of overlords, to which rules are not written.

²² This refers to the substitutes for the inner sense of the measure, without which there are feelings of permissiveness in society, forming natural disasters of the social nature.

²³ This includes everything related to cadastral institutions that manage land holdings.



regional administration both in the form of legislative norms, and directly. Therefore, what we will undertake if the system described by us is based on the principles of self-organization of people? Let's describe this points in order.

5.2.6.1. Mechanisms for limiting permissiveness

We already in passing touched on the issue of law enforcement agencies, where they mentioned that they exist in order to maintain the existing order of things. However, few say that organized crime, at the initial stage of its development, is a form of protest against the established rules...

We can continue to reflect on this in the same spirit for a long time, but it's enough to look at the headline that hints that it is possible to exclude such manifestations by the elementary development of the sense of the measure in each of us, without which everything above and below is of no importance. Moreover, at the very beginning of this section, we designated the moment with the fact that regional CBs are organized on the basis of *the characteristics of people living in the regions inherited from previous generations*. Accordingly, to describe public regulators for each of the regions need to write in detail more than one book, which is not entirely correct in this case.

Most of the regional formations would be created taking into account the directives from the elders, it is impossible not to abstract from this moment, or on the basis of the consensus of the inhabitants of the region, who will themselves determine their own rules of conduct in relation to people who go beyond the rules of the shared households of region and Earth created from scratch, as well as those, who pollutes nature by their actions. There is an experience of creating people's squads that would patrol territories on the basis of directives established by the people, or elders, etc. However, this approach is relevant exactly as much as the infrastructure is developed from a technical point of view, since the development in this direction of crime turns into more intellectual phase, with the application of socio-economic and digital technologies. Given that the model is aimed primarily at solving social issues, education issues and issues of shifting the vectors of society's aspirations from the channel of endless livelihoods extraction to the channel of self-development and creativity, the issue of organized crime should be solved by default.²⁴ However, taking into account that the model is built on the aggregate of "Smart Contracts" integrated into a single system, it is possible to establish a system for imposing restrictions on the contract of each member of societies that do not fit into the general rules by elementary collecting signatures of residents of region, town, village, home, or family, after which a penal fine may be imposed, the amount of which can be developed by classification of violations.

24 For skeptics, let us cite an example with the Scandinavian countries, where there is no such thing as organized crime of a street character. This is realized for the reasons that, firstly, any citizen of the state has social guarantees and in any case will not be left without means of subsistence, and secondly, in society there is such a thing as public control, where every citizen is responsible for what is happening and acts within its own capabilities to resolve an unforeseen situation. However, we are not advocates of economic systems of this nature, since the existence of social guarantees alone is not sufficient for the development of society.



5.2.6.1.1. Mechanisms of tax control

As for the *tax police*, which is much more relevant in solving such problems, this mechanism should be mentioned separately. The principle of constructing GRS allows modeling a multilevel system of constraints, each of which can be built on the basis of two basic principles:

1. The introduction of a new tax on the completion of a *end-to-end transaction*, or a tax on the withdrawal of funds from an enterprise *account* to an enterprise *contract*;
2. The ban on *end-to-end transactions* for businesses and social organizations;

At the same time, the first item can have significance during the *transition period*, and the second *in conditions of full-fledged system operation*. The tax on completion of the *end-to-end transaction*, in this case, should be sent to the side of the GRS and regardless of the functional block to which the enterprise belongs. These restrictions should not be imposed on contracts of private *drivers* of the economy. Thanks to this, all the money earned by companies works for:

1. Company turnover;
2. Salary fund;
3. External investments;

5.2.6.1.2. Mechanisms of accounting for migration

Any temporary migration in conditions of multiculturalism is a useful phenomenon if viewed from the point of view of the individual who performs the migration. On the other hand, the region's economy can suffer losses due to the loss of economic drivers. Considering that personal and individual development of each person is the most important thing in described model and not in the conditions of the universal standard for "education"²⁵, that is in the conditions of revealing the individual functionalities inherent in each person, it is necessary to pay attention to the useful side of the phenomenon and not to leave aside regions.

It is possible to solve this moment to the full only in conditions of a stage in the life cycle of the economic system, when it is operating at full capacity and when the entire territory of the planet has passed under the control of people, and not kinglets and bureaucracies. And partially to solve it is possible having entered two regulatory taxes:

1. Migration tax;
2. Emigration tax;

That is, after paying these two taxes, the *driver* of the economy has the opportunity to change the address of the CB contract, where *the migration tax* is paid to the budget of the region that must be left, and *the tax on emigration* to the budget of the region in which it is possible to participate in economic activities, as in the form of hired labor, and in the form of entrepreneurial activity. That is any company entering the zone of the regional economy has the opportunity to pay hired labor only to people belonging to the region.

In the case of the birth of a child, it is possible to register only the address of the regional

25 As a matter of fact the standard on **the solution of a task about predictability of behavior of a society**.



CB, which is indicated on the side of one of the parents. Therefore, in the event that parents are participants in different regions, then either of the two is chosen. The registration procedure for parents takes place on a voluntary basis, that is, after the registration of the child's contract, the address of the registration contract is entered in his contract as the first parent, the second parent can enter the address of his contract to the side of the child's contract after the first parent's consent mark is registered.

Therefore, in order to avoid manipulation in this area, the addresses of the CB will be duplicated on the side of the GRS and in case of a discrepancy in the readings, the global address will be taken into account. Whereas, to take into account the birth rate, it will be necessary to fix the birth boolean mark already on the side of the registered contract from the side of the medical institution registered on the side of the GRS. The same applies to fatal cases.

The question arises as to how to register the contract of economic drivers for those people who already have experience of activity in the previous economic paradigm and the necessary baggage of analytical data make it possible to decide on registering a personal contract in the new system? For this, it is necessary to satisfy at least four conditions:

1. Decide in the conditions of the preparatory stage or the transition stage;
2. Identify a region in which there is a willingness to be a member or contribute to the registration of a new region with all related procedures;
3. Own a wallet of Ethereum;
4. Own the required number of Ether allowing to register a contract;

Due to this the system itself will determine a person of this kind and will allow him to choose the region independently after registering the contract.

As for entrepreneurial activity and registration of companies outside of their region, there are options. If an entrepreneur is active in his region and has a weekly turnover of the company **for the last year**, then the registration of the company of the region takes place according to a conventionally simplified procedure, or with the involvement of a partner who is a participant in the regional economy, to which the entrepreneur is aimed to expand. Then there is an opportunity to earn money in third-party territory as well.

Otherwise, before registering a company in a new region, for a person who does not have turnover on the side of the former region, it is necessary to pay all migration and emigration fees and postpone the planning of the company's activities if there is a company registered on the side of the region that is planned to leave, as there will be no possibility to manage old company's contract.

Taxes are set by the participants of the regions:

1. *Migration tax*: The region from which migrate;
2. *Emigration tax*: The region to which emigrating;

Thanks to these mechanisms, it is possible to comprehend the behavior of other peoples, which in every way contributes to the development of special thinking, thanks to which there is an



understanding of such concepts as the culture of the behavior of different peoples, their customs and other things that approximate the course of thoughts to the identification of the mental "cage" that we mentioned at the beginning. In the conditions of usual tourism, these concepts are not capable of bringing any kind of understanding, since observation occurs in a temporary mode and in conditions when every tourist-servicing staff tries to draw out of it as much money as possible, fabulously while smiling and making for the comfort of a tourist all that is in his power, which distorts the picture of the real state of things. Under conditions of temporary migration, when a person has an opportunity to see how people solve everyday tasks, doing job, what percentage of people who are really savvy, then there is a more complete picture of the society, of which a person has the opportunity to be, at each specific moment of his activity.

5.2.6.1.3. Mechanisms for the allocation of territories and the account of borders

With regard to the distribution of territories for organizations of a corporate nature, with the impressive size required for development, people themselves must decide on a contractual basis where, how and by whom to manage them, and how much to pay to the budget before using the lands. In this case, case of functional buildings, it is necessary to formalize the admission to the conduct of activities only after the registration of the relevant contracts received from the structures that represent the quality control mechanisms.²⁶

If we talk about the territories for the construction of private houses, which should become the main housing stock of the regions, is it reasonable to say at the present state of society that the area for private ownership should be equally divided and depending on the contribution to the general budget and the subsequent possibility of replenishing it? That is, if the household is going to work only for themselves, then own such an area, if work for the domestic market, then add so much more and put so much into the treasury for each m², etc.

With all this, it does not talk about the need "to take everything away and share". It is about the mechanisms of self-organization, which must be created by people themselves, including taking as a basis already existing accounting procedures, but with a more automated approach. The fact is that the tags in the cadastre are displayed in accordance with the cartographic data, when the online service can be available in the region, within the framework of which it is possible to compare the data of the owners of each territory, their development, etc. This is a topic for special studies in this area and more likely here also would be found its own, special and most optimal solution, applicable to any region. It's only a matter of time.

Continuing the theme of solving this issue, it can be supplemented with the issue of monitoring regional boundaries, which allows them to be viewed from the point of view of stages in the life cycle of the economic system, where during *the transition period* it is possible to

²⁶ Therefore, in the conditions of how territories that are transferred to the use of other nations for rent by an irresponsible bureaucracy for some supposedly "certain period" are governed, and that after their activities remain in these territories, and how all living things in the district are chemically burned, then it's at least silly to talk about building a shared household of Earth. Incidentally, the practices of those peoples who "work" under the **red flags** of their states and have already turned their land into an unfit for life, poisonous factory. Is it possible to talk about some kind of socialism under the conditions of such an algorithm of behavior? Is it possible to say that such an algorithm leads in the long run to exactly what is described in this book?



legalize the entire project of the economic system at the level of regional bureaucracies, which will solve the issue of universal consensus at all levels of the social system. It is possible to solve this in such a way that each registered regional contract of the CB was clearly inscribed in the borders of the existing state and registered as **a legal person** paying taxes in the mode of annual payments from the decentralized budget and from all taxes.

This approach will create a "business project"²⁷ organized according to the newest principles, where each structure and driver inscribed in the regional CB could operate at both levels of the system and provide services both within the decentralized approach and within the existing state. At the same time, each such entrepreneur will bear the tax burden only in the direction in which the goods and services are sold.²⁸ While paying a partial tax, the regional contract of the CB will only be subject to annual profits after all tax collections of the decentralized system and after all deductions from the level of social guarantees, of which we have already spoken and which take place only under the conditions of a particular stage in the life cycle of the economic system. The essence of such a form of taxation is that within the framework of the described system there is no narrow circle of beneficiaries and each participant of the economic system is the beneficiary, which is motivated by the prospects of the approach when moving to the conditions of the last stage from the life cycle of the economic system, where absolute decentralization and an incredible scientific leap will be achieved through decentralized technological developments.

To realize the moment with tax fees from the level of the CB contract, the regional government will need to prepare a *contour contract* that would allow taxing economic activities of a decentralized nature. While at the level of the GRS will be kept the entire accounting of the payments made to its outline. Thanks to this, it will be possible to feed the bureaucratic structures with currency injections and use both regional-level infrastructure and customs services, supplementing them with the latest functionality. Thanks to inflow of active participants into the economic system, the significance of the regional bureaucracy will be completely lost.

Thus, in conditions of development and scaling of decentralization, there will be useful solutions to the question posed with the distribution of territories under private ownership, which will bring the moment associated with the transition to *a full-fledged economic system*. Thus in the conditions described above, people will not have to deal with territorial disputes by **temporarily** integrating the system into the conditions of the existing paradigm, which, nevertheless, with full approach and following procedures, will completely lose its rights to exist, because the model is not built on the principles of unconditional integration into it, but on the principles of unconditional replacement of the current order of things, which is inevitable.

5.2.6.2. Other mechanisms

Everything that concerns other types and spheres of self-organization can equally be attributed to organizations living on account of injections from the budget of regions and at the

²⁷ The phrase is quoted because it will be a business project only in terms of tax burden in relation to the bureaucratic system, whereas it is obvious that this is a much larger principle of self-organization of people, which in modern logic can be more called as a non-profit organization and in global understanding of the issue.

²⁸ In these conditions, there may be an additional incentive purchases from the level of the established bureaucratic system and the accompanying turnover tax.



same time to *the offline services* that are created on a commercial basis²⁹ and are organized:

1. By private initiative of people;
2. On registration of contracts of relevant structures;
3. Based on the established standards of similar organizations, using the best experience;
4. Given the development of decentralized science, which provides organizations with technologies and standards aimed at improving the quality of services;

The experience of each region will be a huge contribution to the life-sustaining activity of people for future generations and in every possible way to be adopted for implementation in other territories. However, if it concerns completely budgetary organizations, managing posts should be distributed on an elective basis and by the principle of building partnerships, when candidates are elected from the people, by the people and from a number of those who did not even intend to become a manager. Therefore, if it concerns the family unions employed in some budgetary sphere, then in case of their unsatisfactory work, the family contract is blocked after delegation of authority to the contract of another, wider level of social organization. Whereas access to the budget is formalized by the collection of signatures of those people who are ready to use the services of such unions.

5.2.6.3. The process of providing budgetary structures with finances

The process is established by drawing up the budget of the organization, in which indicates the data for the forthcoming budget year. The budget is formalized in the form of a contract with **public** data:

1. The number of employees;
2. Wage fund based on the number of employees;
3. Planned purchases by industries:
 - With specific clarifications for each product type:
 - Purchases for modernization, or *modernization purchases*;
 - Purchases to maintain the condition of the organization in the current regime, or *necessary purchases*;
 - Other purchases, or *secondary purchases*;
 - With the planned purchase period for each type of procurement;

Everything concerning budget organizations is **maximally public**, both at the level of invoices compiled by the companies selling goods and services, and on the side of their internal databases.

The first two points are interrelated with the goal to reduce the probability of assigning

²⁹ In particular, if it concerns *the mechanisms of control, development and quality management and insurance services*.



budgetary funds to managers of a particular budget organization and to equalize wages within the organization. Publicity of data on sales and purchases works for the same purpose, and the specified frequency is aimed at cyclical withdrawal of funds, which is necessary in order to reduce the burden on the budget when withdrawing money in a one-time mode and for all budgetary organizations at once.

At the time of registration of budget contracts up to the deadline defined by the region, an algorithm for analyzing the ratio of budget funds with a set of requested funds for organizations is launched at the level of the regional CB. After that, cyclically, every month there is an opportunity to transfer them to the *account* of each organization, taking into account the required purchases and the monthly salary fund. In the case of a budget deficit in the region, purchases from the range of procurement goods and services **that are produced in the territory of other regions** and from the category (in proportion to the impact on the economy of the region) are excluded:

1. *Secondary*;
2. *Modernization*;

Otherwise, if the money is not enough to cover the costs associated with the fund of *wages* and with the *necessary purchases*, then a request is made to the side of the budget of the GRS, after which a similar algorithm is implemented, but on the side of the GRS and for all subsidized regions.³⁰

Supplementing the topic and taking into account the principle of GRS mechanism and the types of transactions we are considering, there is an automatic way to limit the withdrawal of funds outside the GRS and regional CBs in particular, when thanks to such type as *direct transactions* and due to the data entered into the budget for next year, make only those *direct transactions* that satisfy the graphs of the budget and in each specific period of management planned by the organization.

As for *the systems for resolving unforeseen circumstances*, the same rule applies to them, the only difference being that, in case of special need, it is possible within a year to make additional requests to cover the budget deficit in order to make the *necessary purchases*.

5.2.6.4. Offline services

Offline services are, in the chain of industries of the inter-industry balance, the extreme

³⁰ Moments with a budget deficit should be ran in the presence of a simulator of the economic system, in which there will be developed and catching up regions, to identify the optimal subsidy algorithm. At which it will be seen whether it is worthwhile to start the process of imposing debt obligations on the subsidized region, or there will be enough multiplier effect, due to which both budgets will be filled immediately in international trade operations. Debt obligations can have a positive effect only if the regional economy is self-sufficient in terms of producing all the necessary goods and services consumed within it, since it is possible, through the implementation of necessary and modernization purchases, to launch a chain of industries in the region and boost economic activity. Otherwise, the region will constantly increase the debt burden and, thanks to budgetary obligations, hamper economic development. The best solution is to expand the production capacities of developed regions to the level of laggards, when through the production of modernization means required by the catching-up region, an additional mechanism generates a multiplier effect. It makes sense to lend money to those companies that participate in such partial migrations.



elements, in terms of the volume of goods and services provided to other branches of the chain, that is, they are the final elements of the economic system that provide a range of services directly to the end user. An exception to this generalization are such areas as logistics, transportation and services for servicing the property of enterprises, which, being services, play an important role in the pricing of the end product of consumption, especially if it concerns transportation.

In terms of the volume and range of goods and services consumed by society, produced on the territory of the region and provided by offline services, one can judge the development and self-sufficiency of its economy. Where it is necessary to provide a quality standard for each range of goods in the consumer basket. However, this task is beyond the scope of this work. We need to deal with the accounting of goods and services within the inter-industry balance. In general, everything related to goods can be measured in pieces, tons, kilometers, etc., whereas everything related to services, then there are their own fundamental features, accounting in which conditions it is necessary to produce in units corresponding to their spectrum. Namely:

1. Services on operations with goods from other manufacturers:
 - Transportation;
 - Wholesale;
 - Retail;
 - In the units of measurement that are used to calculate the operated goods;
2. Other services:
 - Beauty salons, service centers for repair and maintenance, etc.:
 - In amount of hours;
 - Restaurants, fast food:
 - In units of:
 - Drinks;
 - Main courses;
 - Desserts;
 - Hotel business:
 - In amount of nights;
 - Premises for rent:
 - In m² / month;

Accordingly, in order not to load the first group of services with operational procedures for drafting contracts, it is sufficient to set up the system in such a way that transportation is a separate line in the expenditure column of the acquirers, and for wholesale and retail, grant access to contracts for each type of output, wherever the process accounting corresponded to the following sequence:



1. Order of goods;
2. Fixing the ordered volume of goods to the *standby* mode;
3. Transportation of goods;
4. Sale of a certain amount of goods from the retail shelves;
5. Fixing the sold volume of goods to the mode of *realized*;

Where the access to the contract is a conditional concept, since there should not be direct access to the company's contracts, the entire accounting process will occur in the process of interaction of data in database contracts of the CB, where access will be provided based on the address of the company represented as a trading network. Due to this, retail chains will spend less energy to develop contracts and there will be more opportunities to improve service.

Thanks to this approach, retail has a field for maneuver, to provide the supplier of goods with payment at the time of the order, or as the goods are sold to the end user, whereas the database of the inter-industry balance will have the opportunity to take into account the sold goods and goods that went beyond the expiration dates and the terms of implementation.

With regard to *transportation*, in each contract of the manufactured product of a particular manufacturer, there must be a line fixing the transportation costs for each unit of the sold product, in which it is measured in the database system of the inter-industry balance. Accounting will occur in the following sequence of actions:

1. Execution of the transportation order;
2. Provision by the transportation operator of the address of the personal contract of the **provided service** of his company and presentation of the amount for delivery;
3. Fixing on the side of the personal contract of **the transported goods** of the seller's company the address of the personal contract of **the provided service** of the carrier company and the amount for delivery;
4. Fixing on the side of the personal contract of **the service provided** by the carrier company the *identifier* responsible of the type of products in the particular industry in the region to which the goods and transportation amounts belong;

After that, in the industry of the inter-industry balance, the goods responsible for the transportation of goods form **a set of links**, on the basis of which it will be possible to build a picture of how much cargo transportation is carried out for each specific industry of the region. As for the special contract responsible for the wholesale trade or retail industry, the accounting mechanism can be adjusted accordingly, when the company will have only one personal contract of the service provided, with a set of references to contracts for the types of products sold. The difference in the contracts of direct sellers of manufactured goods with retail or wholesale contracts will be assigned by the **boolean mark** we have already mentioned, on the basis of which the GRS will determine the direction of the currency flow.



5.2.7. Block of industries POWER

The block of industries POWER is the power block of the regional economy, i.e., the block through which the region is saturated with vital forces and means of communication with all elements of the global economic system. This block is detached for the purpose to separate the entire volume of produced goods and services of the region from the industries producing products with the least added value that must be included in the POWER block. This is the section of goods and services on which depends the quality of satisfaction of the basic human needs, consisting of food, energy, warmth and, under the new digital paradigm of the development of society, of communications.

To reduce costs and exclude high added value, each type of industry that is part of the POWER block has its own mechanisms, concentrated in the organizational principles of the economy itself. The essence of the approach is that in addition to the UPGRADE block, designed to optimize any type of production and compensation around the purchases associated with it, there are additional boosting options in the power block:

1. For farms:
 1. The possibility of excluding any types of mediation between the agricultural producer and retail trade;
 2. Subsidies from regional CB;
2. For energy and communications:
 1. Exclusion of any types of mediation of a fundamental nature, based on universal physical principles, scientific and engineering developments;

Sewage and water supply can be referred to communications, where sewage emissions can be considered as **an inexhaustible waste stream requiring processing into a useful product of consumption**, locally processed, on the territory of a participant of the economic system.

If everything is connected with the items of farms, it is more or less understandable, because the first item is already described above, in relation to general provisions, and the second is based on the already existing practices, then concerning the item related to energy and communication, we will update. The essence of it is that all current science and energy in particular, serves the monopolies and global energy corporations. Whereas it is quite obvious that decentralized science will work for the decentralization of energy and communications in the first place, since without resolving these two issues it is impossible to build a decentralized economy with a decentralized currency issue center, because monopolies will in every way block the development by inflating the prices per kW/h of electricity.

Accordingly, whatever the modern "priests of science" would like, but in the world there are today many examples of the use of free energy generators, the implementation of which is blocked, primarily by the bureaucratic science that rejects fundamental physical principles. Therefore, the exclusion of any kind of mediation speaks precisely of the fact that there is not and should not be an intermediate elements in the economic system between the energy generator and the consumer. Thus, and looking ahead, the UPGRADE block, which is an element of the HW



block, in relation to the energy sector, is the function of a producer of power plants that are used by households to supply energy to homes and companies directly.

This is the first time. With regard to the POWER block, it is necessary to add one more important part, that to provide power to the farms, it is necessary to develop systems for processing the garbage left from the current economic system and to include similar developments, production and introduction into the unit described by us. This will be the only time due to which there will be an intermediate element between the consumer and the power plant. To provide such energy requires those companies and organizations that need additional capacity and are willing to pay money for this.³¹

With regard to communications, in this case, one must rely on decentralized science, including, due to which it is necessary to achieve the same result as with energy.

As for the energy generation systems that remain from the current economic model, such as nuclear power plants, hydroelectric power plants and others, these installations must be disabled and eliminated by finding the most effective method for using the remaining radioactive waste and dismantling the dams. For these systems require additional costs of the budget for servicing and in case of accidents, to eliminate the consequences.

5.2.7.1. Principles of accounting for goods and services of the POWER block

Accounting for the sold products of the agricultural production sector is the standard procedure described in the general points above. Whereas, obviously, accounting for the energy industry, with a decentralized approach, somewhat goes beyond the usual understanding of the issue, because the power plant is local to the energy consumer and allows to interact with the surrounding world while maintaining the working capacity of the equipment at its disposal. Accordingly, each consumer spends exactly as much energy as he needs to be an element of a single system within the framework of his current activity algorithm and not a kW more. Therefore, the moment of accounting can be missed, following the logic of consumption of each of us of air, in order to maintain the vital activity of the human body. The person himself decides what air to breathe to him and what it is necessary to take, in order that in some conditions the access to the necessary amount of air is available and for how long. So with free energy, it is enough to take care of the availability of an energy installation, which, due to the principle of **openness** of the DRIVERS block, it will be possible to reproduce by own means and by means of open access to all of the drawings. Accounting will be conducted in the field of sales of power plants produced in the UPGRADE block.

All other areas of production of goods and services within the POWER block, at the period until absolute decentralization is achieved or, in the case of garbage processing to the electricity, are considered in the usual mode:

1. Water supply:

³¹ This is with the usual logic of building energy companies. And if imagine the situation that all the garbage formed from the current civilization is packed in briquettes and allows everyone to process into a useful product locally and using specially created technical means?



- In m³;
- 2. Internet and communication:³²
 - In gigabytes, or terabytes;
- 3. Electric power:
 - kW/h;

5.2.8. Block of HW industries

The block of industries of HW includes all industries working with physical essence, which are:

1. Extraction of mineral resources;
2. Mineral processing;
3. Production of materials;
4. Processing of materials, production of parts and components;
5. Production of means of production;
6. Housebuilding;
7. Production of final consumer products;

Also, the HW block has functional demarcations in the form of local blocks, which are formed on the basis of the properties of goods produced by certain industries. These are EXTRA and UPGRADE blocks. As far as the organization of the contracts of the HW block is concerned, we have already examined in general terms, so we can proceed to the last two.

5.2.8.1. EXTRA function block

This is a block that includes those sectors of the real economy that must be under special supervision and:

1. To work on the development of the multiplier effect within the region;
2. To bear an additional tax burden in the case of the production and sale of luxury goods;

The first item refers to everything concerning points from *extraction of mineral resources* to *processing of materials*. If do not impose an additional tax mechanism on these areas, the region may become lagging behind in a very short time. This will happen due to the fact that because of the huge reserve of natural resources and the constant flow of them outside the region, attention will not be paid to production, which is the bearer of the greatest multiplier effect, which, in turn, fills the region's budget with live money contributing to the development of its infrastructure.

Considering the experience of current economic systems whose resources are wasted for not

³² Why there is no mobile hours of conversation? Because the Internet already completely displaces all these remnants of the past.



developing the economy of the real sector properly and taking into account the additional burden of an insatiable, all-consuming bureaucracy, there arises the certainty that some of the development principles of the described mechanisms are sufficient for the real sector to develop properly and generate a useful product constantly and without restrictions. However, this is not enough.

We have already considered the moment of inter-regional trade, when the tax on each deal is fixed on the side of the GRS, therefore an additional tax mechanism required for the EXTRA block, namely a tax deduction, or an *export duty* sent to the regional CB, in case of export movement of the goods. Thus, the external buyer will think whether it is worth it to purchase materials in the produced or processed form, or it is better to purchase raw materials and arrange the production of materials locally, which will be subject to the same limitations as the region of extraction and production of raw materials. Whereas the producing region, after the sale of raw materials, will consider whether it is worth it to purchase materials from his raw materials from the other region if local production of it is cheaper and will give an additional impetus to the development of the infrastructure. Moreover, due to the inclusion in the EXTRA block of *material processing*, or simply speaking — the production of parts, regions will have a need to develop medium business locally, to exclude the purchase of parts from outside.

In relation to other high-tech areas for *the production of means of production* and *the final consumer products*, then additional restrictions may be imposed on goods procured from outside, which are produced locally, but this is the right of each region to protect domestic producers by additional mechanisms or *import duties*, especially when it comes to purchase of luxury goods from other regions. The principle of accounting automation makes it possible to do this most efficiently and without unnecessary movements.

As for the purchase of luxury goods locally produced, in this case it is necessary to burden the transactions with **an increased tax** that would limit this logic of behavior and stimulate the production of consumer goods.

5.2.8.2. UPGRADE function block

Obviously, having a block of constraints, it is necessary to model a block with relaxation mechanisms. The task of the economic system is that we are creating **a large-scale generator of total optimization**, which would contribute to the comprehensive development of society on a global scale. Therefore, the UPGRADE block, in this case, is the key block in the entire production chain. The essence of it is that it is aimed at modernizing all blocks of the regional economy, or:

1. The block responsible for the infrastructure of the region;
2. The block responsible for filling the vital forces of the region;
3. The block responsible for the real sector of the economy;

That is, all that is beyond the scope of this function block and produced by the HW unit is *consumable material*. Whereas, everything within the UPGRADE block is an *optimization tools*.



Let us give an example. Year 1970. MTZ (Minsk Tractor Factory) produces tractor "Belarus". Everyone is happy. After 30 years in 2000 MTZ produces the same tractor, but more "round".³³ Question. Where have gone 30 years of daily work of working people of MTZ number of several thousand people, if from the point of view of optimization absolutely nothing happened? And the second question. What for in the mud exactly the same tractor, but more "round"?

It turns out that the logic of this kind of industrial management is simple — **production for the sake of production**. Or from our point of view, all 30 years the tractor factory produced only *consumable materials*. How then distinguish *consumable materials* from *the optimization tools of the economy*. To do this, it is necessary to develop *an optimization scale* in several directions and introduce the concept of *an optimization coefficient*. Where *the optimization scale* should be divided into two main types:

1. *The scale of **explicit** optimization* is the optimization scale, the coefficient of which can be determined by visual inspection;
2. *The scale of **implicit** optimization* is the optimization scale, the coefficient of which can be determined during certain period of operation;

*The scale of **implicit** optimization* can be divided into three subtypes:

1. *The scale of **implicit** optimization of the **short** cycle* is the optimization scale, the coefficient of which can be determined with a operation life of less than the industry's economic cycle;
2. *The scale of **implicit** optimization of the **medium** cycle* is the optimization scale, the coefficient of which can be determined at the operation life from one to two economic cycles of the industry;
3. *The scale of **implicit** optimization of the **long** cycle* is the optimization scale, the coefficient of which can be determined with the operation life of more than two economic cycles of the industry;

The directions of *the optimization scale* for the two main types will look like this:

1. *The scale of **explicit** optimization:*
 1. *The coefficient of reduction of system detail*, in terms of system optimization in relation to reduction in the number and volume of components;
 2. *The coefficient of automation of the system processes*, in terms of reducing the level of impact on the system from the side of the person, in order to achieve the desired effect;
2. *The scale of **implicit** optimization of the **short** cycle:*

³³ This is a fairly common example and, of course, many changes in the equipment of the tractor could have occurred over the years, but from the point of view of efficiency, practically nothing has changed. Also from the example missed the point that during these 30 years much has changed in terms of organization of the economy of the states and in 1970 MTZ was the property of the USSR, whereas after 30 years it already was JSC MTZ of the Republic of Belarus.



1. *The coefficient of consumption saving factor*, in terms of resource consumption;
2. *The coefficient of positive impact on the environment*, in terms of reducing emissions and waste generated by the system;
3. *The scale of **implicit** optimization of the **medium** cycle:*
 1. *The coefficient of service convenience*, in terms of speed of service;
 2. *KPI³⁴*, in terms of application for its intended purpose;
4. *The scale of **implicit** optimization of the **long** cycle:*
 1. *The coefficient of stability of materials*;
 2. *The coefficient of ease of reproduction of the nodes of the system*, in terms of the possibility of manufacturing parts locally after the entire system is out, or part of the system is out of order;

Where in the absence of data on all points of *the optimization scale*, any product is a *consumable material*. Let us give an example. From the point of view of all vehicles based on internal combustion engines, the Tesla Model S, which was released at the time, became the *optimization tool* for all points of *the optimization scale*, whereas the latest models of Tesla relative to Model S are not optimized very much, or they have an explicit optimization only under item 1.2.

It turns out that these points are *an optimization scale*, where *the scale of implicit optimization of the long cycle* is applicable to both simpler, non-mechanized products, and to products more complex, and the rest to complex, composite systems that perform certain algorithmic operations. *The optimization scale* should be imposed on the organization of contracts for the company's products, with an introductory purpose, through which the buyer will determine the overall coefficient for the system being upgraded, where the values will be fixed both to the side with a coefficient of more than one, and to the side with a coefficient of less than one, **and availability of more complete information on each item**. To solve this problem, it is necessary to introduce the concept of *volume on the optimization scale*, which will determine the level of optimization for some points and types of *the optimization scale*.

For example, is it possible to take into account a composite system of several hundred parts optimized at the level of *stability of materials*, if this parameter corresponds to only one part that is produced on the side of another company that is focused on creating the simplest parts, but using composite materials? Obviously not. Only exactly this part will be optimized and the manufacturer of the part will lay *the material stability coefficient* in *the optimization scale* for this type of product.

Thus, *the volume on the optimization scale* should be considered if there are at least 70% of the parts that it makes sense to compare with other introduced in the system similar systems of the produced type of products in the considered industry of the HW block **and in the considered period of time**. What does it mean. This means that the production process must be accompanied

³⁴ KPI is a key performance indicator.



by a **complex analytical process** that takes into account the entire volume of commissioned products according to the type that is being prepared for introduction to the market, since on the basis of this analysis *the coefficients on the optimization scale* will be calculated. In the opposite case, the product will be sold as *a consumable material*.

Relatively speaking, let's assume that a certain volume of a specific type of production of the industry that is part of the HW block is involved in the market. There are sales statistics for this type of product and the overall *coefficient on the optimization scale* is a figure of one, since the products have already been put into operation. There are also statistics on production in those industries in which the volume of production that we are considering is involved, which affects the parameters of operation within the scope of the optimization scale, where everything that is produced and spent for operation is also a figure of one. Then the manufacturer, having carried out the analysis of the market and having an understanding of the characteristics of the product, begins to introduce coefficients on the optimization scale into a personal contract of the innovative product. After that the manufacturer offers the goods on the market demonstrating the distinctive features of the product. The consumer analyzes the characteristics of the goods and purchases a certain volume of production. After the economic cycle of the industry, changes in the database of the inter-industry balance and in the company's database take place, which indicate whether the production is optimized on the optimization scale or not. At the same time, the factor of optimization will be influenced by such factors as:

1. Failure of parts of the manufacture system;
2. Expansion of production, or the introduction of additional systems with some *coefficient of optimization*, or without it;
3. Absence of objective information on the coefficients of the optimization scale;
4. The influence of external environmental factors;
5. Human factor;

Therefore, in order to reduce the amount of influence of the attendant factors on the objectivity of the indications of production optimization, within the framework of the inter-industry balance, it is necessary to solve this task based on general indications of production for a specific period of time. In other words, the process of production optimization should proceed in a stable regime and from year to year, due to which the coefficients of optimization will be taken into account and on the basis of this accounting partial compensations for purchases in the form of reducing *the tax on deals* are made. Otherwise, if *the coefficient of optimization* is less than or equal to figure of one, the algorithm will understand that only *consumable materials* were purchased during the considered period of time. Where the size of partial compensation depends on the surplus factor reached by production **and** the block of industries in relation to which the purchase of *optimization tools* is being made.

This raises the question of how to take into account and manage compensations in relation to budgetary spheres, if they are fully contained at the expense of injections from the budget? Compensation for budgetary spheres can affect the indicators in two ways:



1. Increase in the wage fund;
2. Reduction of the working day of employees, or release of working hands at all;³⁵

It turns out that on the basis of market analysis, by type of producer's products and general indications of the purchaser's production, it is possible to build a picture of optimization of the economy industries and in a systematic mode, partially compensate the buyer's costs, thereby motivating him to purchase *optimization tools*. As for *the scale of implicit optimization of a long cycle*, optimization accounting in this case can take place only in conditions of **absolute optimization** of production or in the absence of procurement of optimization tools within the whole industry.

Absolute optimization is optimization brought to a conditional perfection, when production has the property to stop only for the purpose of service. Only being in this abstract mode, one can take into account the increase in the coefficients of *the scale of implicit optimization of the long cycle*, both on the basis of analysis of the degree of wear of the elements of the system, and on the basis of other indications. However, this does not mean that in the initial optimization period, one should not pay attention to *the scale of implicit optimization of the long cycle*, because **the quality of the component parts of the system directly affects the stability of the production process and the overall coefficient of optimization of both the production and the industry as a whole**.

At the same time, the expansion of production should not affect *the coefficient of optimization*. That is, if during the economic cycle of production, purchases of *optimization tools* were made and a certain number of employees were of 100 people, and at the time of the first full economic cycle the number of employees doubled, which resulted in a doubling of purchases of *consumable materials* and, accordingly, changed all input data on *the optimization scale*, then *the coefficient of optimization* must be calculated based on the number of employees, or:

$$\text{coef}_{\text{opt}}^{\text{Qp}} = 1 / (Q^{\text{Qp}}_{t1} / N^{\text{P}}_{t1}) * (Q^{\text{Qp}}_{t2} / N^{\text{P}}_{t2})$$

and³⁶

$$\text{coef}_{\text{opt}} = 1 / (Q_{t2} / N^{\text{P}}_{t2}) * (Q_{t1} / N^{\text{P}}_{t1})$$

Where:

- $\text{coef}_{\text{opt}}^{\text{Qp}}$ — the coefficient of optimization by volume of output production;
- coef_{opt} — the coefficient of optimization for other indicators;

35 In the current economic paradigm, this may sound like a sentence, but with an infrastructure aimed at the all-round development of society and social guarantees, this moment can serve to open new opportunities for everyone.

36 At first glance it may seem that the formulas are incomplete, since there are no additional units by means of which it is possible to calculate the expansion of production as the volume of machines commissioned. In modern conditions, it would be possible to introduce kW / h of electricity, but we agreed that electricity in the newest conditions is equivalent to the air inhaled by a person and can not be measured if there are sources of free energy. Theoretically, it is possible to impose a mechanism for calculating the generated energy locally, but let's leave this topic for the future and agree that under production conditions, as a rule, there is a formula: "1 machine = at least 1 person". Therefore, any increase in special equipment in the absence of a growth in the company's employees can rightfully be considered as an **increase in optimization**.



- Q^{Op} — volume of output production;
- Q — other volume of the computations;
- Q_{t1} и Q_{t2} — volumes for the previous period and for the current period of summing up;
- N^p — number of employees of the company;

Where other volumes of computations are:

1. Volume of emissions and production waste;
2. Volume of purchased system nodes;
3. Volume of consumed resources;
4. Volume of total time spent by employees;
5. Volume of time spent on servicing;

Where $coef_{opt}^{Op}$ will concern only the **manufacturing** industries, which will also include the coefficient of optimization for other volumes, and for other industries providing additional services, the overall coefficient of optimization will be calculated based only on the five indicators presented. Based on these general data, the amount of partial compensation will be calculated, which will depend on the arithmetic average for the coefficient of optimization of the volume of output production, for the manufacturing industries, and for all the other five optimization factors, and will be compensated at each subsequent purchase, **in mode of reduce of the tax on the deal**.

Thanks to the intellectual mechanism of partial compensation of production of UPGRADE block, any economic activity is viewed as a single system which constantly optimizes, whose purpose is:

1. Reduce the burden on the Earth's biosphere;
2. To release staff time;
3. Create fundamentally new products;
4. To generate scientific, social and technological progress;

The inclusion of all company employees in the calculation model, and not just the production people, affects the accuracy of the results to a fuller extent. Since if the decrease in the number of people in production affects the increase in people in management, then there is no point in talking about optimization as such.³⁷ It should also be added that if there is a practice of renting workers' hands from other companies, one can face a situation of dashing manipulation of the coefficients of production optimization, since there are cases when the company's manufacturers have a staff of employees only for project management, whereas for the entire production activity, employees of other companies are rented. In this case, it will be necessary to organize the registration of such forms of service provision within the entire inter-industry

³⁷ Everyone knows quite often that when a company engaged only in the production of a certain kind of product has a staff of managing personnel three times higher than the staff of people directly engaged in the production of the product. Often in such situations it is impossible to make out who and for what in such companies is responsible. Consequently, the technology of well-established production processes leaves much to be desired.



balance, which would not affect the indications of the optimization scale. The described model allows to make it also.

5.2.8.2.1. Organization of contracts to account for the variables of the UPGRADE block

From the principles of the analysis of *coefficients in the optimization scale*, it is obvious that entry into the UPGRADE block is not constant and depends on the indicators of economic activity. Accordingly, it is necessary to organize accounting in such a way that the analysis of indicators was made at the request of the owners of the company and at the end of the economic cycle of the industry, after which it would be possible to include the company in the described block or vice versa, drop out of its framework.

To do this, it is necessary to apply the possibility of using GRS extensions, where for each company will register its own extension, created by common standards and specifically to take into account the indicators on *the optimization scale*. The following indicators will appear in it:

1. Weekly accounting of the total output for each industry;
2. And on the scale of cost optimization *for other volumes*, weekly:
 1. The whole volume of export and processing of waste by third parties;
 2. The entire volume of purchased system nodes from third-party enterprises;
 3. The entire amount of consumed resources purchased from third-party companies;
 4. The total amount of time spent by employees;
 5. The entire amount of time spent on servicing, produced by third parties;

The entire process will be performed through the GRS kernel "**make**" function described by us, and the kernel modules will access the database extensions to set the purchases and sales of each company. Based on this approach, it should be concluded that in the future it is necessary to classify industries in relation to which the company's costs are borne and on all five points from the other volumes of optimization.

Given the activity in the field of individual entrepreneurship of persons who have only a *driver* contract, then such participants should not be included in the functional block UPGRADE, due to the peculiarities of their tax accounting.

5.3. The unification process of regions

Let's start from philosophy. We have already decided that the regions are created on the basis of *fundamental differences between society and their environment*, by which it is possible to determine the belonging of a particular society to a particular culture of behavior. Two of which directly belong to the sociocultural differences, namely:

1. Belonging to the language system;
2. Features of people inherited from previous generations;

These features were formed by dozens of generations in the context of the logic of behavior,



when each region was a sealed system, in terms of information impact from the outside. Regional management systems established their own rules of conduct and organization of life. It was carried out on the basis of religious ideas about the world, or on the basis of representations of purely caste or ideological. In these conditions, in our century many different quality principles of regional development are inherited, some of which may have behavioral similarities, and some can not have at all.

The unified information space began to make its own adjustments to the field of similar sociocultural differences and in places, erasing information barriers, to equalize behavioral matrices by introducing algorithms that are common for all. Due to this, many people with a similar culture lose identity codes in the field of behavior and regional arrangement. The only difference, which still continues to exist, is *belonging to the language system*.

Given the principles of constructing the described global economy, where many algorithms represent a kind of common organizational moments, there is an understanding that the economic model, in addition, begins to represent **a large-scale mechanism for developing a unified and global culture of behavior**. Where different peoples will come to a common understanding of things the more intensively, the closer their cultural codes are in the matrix of diversity. Taking into account that the mechanisms of organization of industries, with the principles of distribution for functional blocks described by us, will equalize the development of regions, **the unification of regions will be an objective process** and will have a tendency to realize already in *the transition period* from the stage in the life cycle of the economic system. This will happen due to the fact that a critical mass of people actively participating in the development of the new economy will come to understand that the unification process of regions, based on the principles described, can positively affect the quality of all processes of allied associations. Nevertheless, the process of unification is possible only under the conditions of the last stage in the life cycle of the economic system, when the entire infrastructure of the planet has passed under the control of society, and not bureaucracy.

The process of unification of regions, therefore, can be safely described as *the process of optimization of the global economy*, where the absolute optimization of the GE will be the state when the GRS becomes a single CB for all peoples³⁸ and in the conditions of a unified infrastructure for the whole planet. Therefore, having revealed one more fundamentally important and objective process, it is necessary to think over the process of unification at the level of contracts, so that there is an opportunity to systematically unite all regions into a single whole.

Technically, this is a rather complicated process, because at the time of the merger, there are a lot of events that are recorded in all databases and in a huge amount due to the fact that many members of the economic system are connected to the regions at the time of the merger. Therefore, it is necessary to organize the unification process in such a way that every active participant can change the address of the CB in the contracts that belong to it and at the same time be under the jurisdiction of the new unifying regions of the bank. For this, the functions of the regional CB participating in the design of the union, it is necessary **to delegate** to the uniting regions a new CB by putting on the side of the former CB its address. After that the GRS will understand what it is

38 Or rather, there will be a single CB integrated into the GRS.



dealing with at the moment when the transactions of the participants of the regions are taking place, in which the addresses of the previous banks are fixed in personal contracts.

In order for the unification process to proceed properly, the regions need to take the following steps:

1. Prepare the ground for a referendum for the unification of regions;
2. Carry out a referendum;
3. In the case of a successful referendum:
 1. Develop a system of contracts for a new Union (CB) with all industry databases;
 2. Conduct a referendum on the new contract system of CB;
 3. Select the responsible for the delegation of functions of former, regional CBs;
 4. Delegate the functions of regional contracts to the contract of the new Union;

Upon reaching point 3.4, *the drivers* of the new, Union of regions automatically delegate functions to the newly created CB and there is an opportunity:

1. Register new contracts indicating only the address of the Union CB;
2. To change the already created contracts by registering the address of the Union CB;

As for budget organizations and regional companies, they do not by default have the function of changing the region to avoid manipulation of financial issues, so for them sufficient of availability of delegation of functions of the CB.

Due to the creation of a new database of the inter-industry balance of the Union of regions, an adaptation period of up to two years appears, after which the mechanisms for analyzing the coefficients on the optimization scale are launched.

Regarding the division of regions, it is necessary to miss this moment from the model and there are reasons for this. The matter is that any disagreements arise on the basis of a conflict of interests of elites. This happens, as a rule, for several reasons, which are often associated with the irrepressible appetites of the bureaucracy and puppeteers for bureaucrats looking, as well as with the endless thirst for power of small kinglets. Therefore, for the people, such fragmentation of regions, always form a much greater level of discomfort than for those in whose interests the crushing takes place. Given the general logic of constructing the model we describe, the likelihood of a conflict of interest is, in our understanding, rather low, as any occurrences and associations of regions are formed on the basis of the aspirations of the people and with their direct participation in the processes of their arrangement and on the foundation of private initiative.



6. Preparatory stage

The project is so large-scale that in order for everything to work, it is necessary to provide many important details. All that was described above, concerned *the transition period* and *the period of operation of the system at full capacity*. It remains to mention the processes that should be favorably shaped so that the transition period becomes possible.

It's not strange, but *the preparatory stage* is the most difficult in terms of formalizing all of its steps in the real world. Or, more simply, in order for it to be carried out, nothing was expressed at all in this world in the proper way. The entire blogosphere is engaged in the discussion of meaningless things, not having real actions behind it. Programmers and software developers are only doing what they do in every way to integrate into the bureaucratic system of a particular state. About the "politicians" in general there is no sense to discuss, because with the observation of them, there is a feeling that we live in a world of hopeless hamsters, from which hamsters, which are more stupid waiting for incredible achievements.

If we talk about science, then it does not correspond to time for a long time and scientists, on a par with software developers, reflect on the topic of what kind of "feature" to realize, for which bureaucrats poured money for endless research. An excellent example is a group of specialists who deceive bureaucrats into parting with money for a few "...llions" of bucks to investigate what was a second before the "big bang"³⁹ ... Well, is not it not a nonsense? Seems like for scientists is really nothing to do. It also seems that the scientific community has already created a paradise for the global bureaucracy, now they can think about themselves. Well, all right, everyone earns as much as he can and how much everyone has enough conscience, we'll leave these businessmen too.

Before proceeding, let us turn to the already written article, which, in general terms, describes the steps following which one can arrive to the decentralized economy, and then we will continue to reflect on this topic.

³⁹ The theory of the so-called "big bang" for more or less thinking people can not help but evoke an ovation. Since introducing such a kind of stupidity in the field of fundamental concepts, you can not only disorient the world community of hamsters, but also saw up a quantity of bunch of "wonga" with a saw of bureaucrats.



Decentralized economy as a strategy. Let's talk about tactics

In the beginning was a word and a word that was dispersed in space and in time. No, we are not talking about the creation of the world in a biblical understanding of the issue, we are talking about the Internet and about the fact that it is a communication tool, at the moment, — "Single Word", in a purely philosophical interpretation, which can be identified as the foundation for the birth of a new era. The essence of this generalization is that we are talking about an infrastructure that ensures the generation and consumption of information. If earlier the infrastructure was managed by state and transnational monopolies, today any "nail in the wall" can generate information, if it is, of course, at the disposal of skillful hands. Moreover, the flow of the previous information was linear, that is, the generation of this flow was formed as necessary and in solving problems of managing social processes. Today, it is dispersed in space and time, that is, by creating one or the other content we all understand that it will be on the Internet in the field of the search query almost always. This forms a special logic of behavior, when the society owning information acquires an incredible level of freedom in self-expression, which entails quite obvious consequences.

In order to understand what the global economy is moving towards in the understanding of sociodynamics, which is built on the basis of the current infrastructure of the "Single Word", it is possible to build a number of consequences, some of which tend to develop today. Accordingly, by identifying them, for us, for objective reasons, a new global economic model will crystallize, ie, the identified series of consequences will be a set of tactical actions.

Monopolies require their own services and it is necessary to spend, first of all, human resources, based on the algorithm of functioning of which all socio-economic and technological reality is built. With a very obvious following of the social dynamics in the direction of decentralization, it is possible to build a set of investigative links that move one after the other as it dissipates relative to human factors into the formation of an external infrastructure in relation to society. Where the first items, most susceptible to dependence on decentralized distribution of information, will, to date, have a larger crystallization ratio, decreasing in the process of following to points of infrastructure. Now for the points, all of which, we will try to describe in more detail.

1. Decentralized education system;
2. Decentralized systems of society self-organization;
3. Decentralized science;
4. Decentralized energy;
5. Decentralized communication system;
6. Decentralized system of distribution of surplus value and surplus product;
7. Absence of any kind of power as a phenomenon in society;

If in each of these cases, except for the last one, the term "decentralized" is replaced by the term "centralized", then we will get a set of factors that make up the backbone of the former and the last items — the current, industrial era. The last point is an exception not only in connection



with the lack of the corresponding concept in it, but also for other reasons, which will be discussed below. We will give only a brief tip. All described steps can be solved solely by people themselves and bypassing the bureaucracy, since all the tools for solving these problems are at the disposal of people and in full. Now we will touch each of the points in more detail.

1. Decentralized education system

As if each of us did not try to be proud of the accumulated baggage of knowledge in "those" times in which education was much more "qualitative", or "these", when the brains do not clog anything else, it's like once each of us received a diploma by narrow specialization and did not continue to expand the field of knowledge, he immediately loses touch with reality and will not last 5 years, as the set of his knowledge will not correspond to the real state of things and requirements in the market.

We are talking about a decentralized economy as a task of strategic importance, when every element of the system will be the king and god to himself and regardless of the dogmas follow the logic of self-education.

As we already mentioned above, this is the moment that is already being implemented to varying degrees today. The information, at the expense of the tools provided by the Internet, is in the zone of the search query formation, i.e. practically in any point of space, if it concerns access to information from the person. Information can be different, constructive and counterproductive. Predisposing to self-education and not. However, the case is not even in this, but in the system of authorities that are formed due to this or that educational system, since it influences the perception of this or that information by a person.

An excellent example is the actively proceeding contemporary dispute about the shape of the surface on which we live, that is, whether the Earth is "flat" or spherical. After all, it's not even that some try to convince others, but how this process proceeds from the point of view of information perception from both sides. Immediately make a reservation that we will not try to take someone's position, we will try to paint the issue we are considering on a decentralized education system.

The basis of these disputes are systems of authorities in which there are two opposing positions, on the one hand, one can reveal the denial of the system of the authorities of opponents, and on the other, the denial in general of the possibility of thinking in this way. Although, it is quite obvious that the vast majority of people taking part in disputes, hardly ever will fly to the upper layers of the Earth's atmosphere to see firsthand the subject of disputes from the side. The whole dispute is held in the mode of discussing the arguments that the statements of the supporters of the Earth are "flat" on the one hand, and those pictures of NASA and Roscosmos on the other (as well as globes, cartographic data, etc.). Some see blunders trying to prove that this is the evidence, and others in every way deny such an opportunity, since this can not be, because it can not be ever.

Now let's look at the subject of disputes from the point of view of a decentralized education system, when any system of authorities is denied, and understanding is gained by personal experience, personal research and joint creativity, when efforts are combined to arrive at a common denominator. With this approach, you can immediately put the question, like: "maybe so,



but how to prove if everything we show is not believed?" And from that moment it is possible to start building a new economy consistently and according to the points described above.⁴⁰

That is, if every person who owns this or that knowledge will not question the stereotypes formed in it by the system of education, as they interact with various sources of information, realizing that this education system was aimed at servicing monopolies, then talking about building decentralized economy is not worthwhile at this stage, since the following items require the solution of non-standard tasks.

This is a fundamental question. It is enough to consider in this regard the book "Today and Tomorrow" by Henry Ford, which describes how, as a man who decides the strategic tasks of the industrial economy, within his own production, he struggled with the traditions of established centuries in industries that needed to be optimized to reduce the price of the final product consumption. To solve this problem, the manager put people "off the street", ie, those who were not burdened with established norms of production in the industry. This is when it comes to the machinery industry, let alone the economy without borders and templates...

To solve the task of dismantling an established system of authorities, it is necessary to take "heights" about a revision of the fundamental ideas about the world, where mankind would not be considered dust in the ocean of the universe, but the carrier and implementer of the Plan, which must be followed as it develops and within the evolutionary process. Only then it will be quite logical to build the whole picture of the world that does not correspond to the principles of the industrial economy, when built the Gulag and the case in the hat, for the state is above all, and human life is so... The women are still creating.

If it is even simpler, then if there is no joy from the opening perspectives, thanks to the revision of the fundamental ideas about the world, which, in many respects, are taken for granted by templates and dogmas, there can be no talk about progress.

Is it possible to consider the issue of certification in the context of a decentralized education system? Can. However, due to the fact that the system of our stereotypes is not able to take into account the moment about the knowledge thirst for knowledge in a person by default, then speaking about this issue in the context of the "Damocles sword" over the student's head will be completely out of place. The appraisal system should be a completely different form, where the skill of dialectical following of the thought, the orientation skill in the information space and the skill of analyzing social processes will be checked, when the observer will not destroy the student with estimates but give food for thought. This will be in the form of an exception, since in a healthy society people will want to learn themselves if the information at the earliest stage will correspond to their internal vibrations. This is to the point that not every child is able to learn the foolishness of the school curriculum, but is predisposed to information of a more objective kind and with a more professional approach from the teacher.

⁴⁰ The first step to this was the efforts of Brazilian researchers who, on the basis of a number of experiments, argue that the Earth is "convex". <http://en.terraconvexa.com.br/> At the same time, it is possible to accuse the researchers of lies at least after an attempt to repeat the experiments by anyone who wishes, or on the basis of experiments conducted that would refute the current ones. There is no belief that the Earth is flat, in the global sense of the matter, and the model presented by them corresponds to reality, but there is a number of data that say that the Earth is not as we are presented to it. Therefore, for some, the question of the shape of the Earth remains open.



2. Decentralized systems of society self-organization

This is the next question, which, among other things, can be limited only by a system of authorities inscribed in the system of stereotypes of each individual. We are all used to having someone come for us and do everything, or an authoritative leader to bring someone who will do it. This approach is a relic of the past and if we think about it, if we deal with these two issues, with the question of education and the question of self-organization systems, then all the following questions will be solved by leaps and bounds. If we wait for another "authority" that will come, say, and all in a whisper will follow it, then the construction of a decentralized economy should be forgotten again, since every "similar" is mortal and if there is not a culture of self-government in society, then speak about a prosperous society it makes no sense.

This issue is key in building a decentralized economy in general and describing the inter-industry balance in particular. It follows from the previous one and it can not be solved without the readiness to review the established system of stereotypes.

For starters, we will fantasize a bit and imagine what is a decentralized economy. This is when the funds are enough for all the most necessary, the general cash desk is full of cash, which is distributed by the voting system and in which there are no frauds, and to track the state of the general account is not difficult for anyone. Science develops without bureaucratic restrictions, all bureaucratic processes are automated, and the means that are initially allowed for the development of the bureaucracy and the army go to the infrastructure, science, the development of decentralized energy and communications. And all this works within the framework of self-organization systems built according to the latest principles and using the latest technologies, where each person is a developer of new systems and at the same time their user.

How can this be realized today? It's not very simple, if we talk about a common system, but if it is fragmentary — it is quite possible, for this we have been provided with the Blockchain technology. It is not about crypto-currency, or Bitcoin, namely Blockchain, since it is an all-embracing technology around crypto-currencies, which are a special case, but not unimportant. It is at the expense of this technology that it is possible to solve the set of fantasies described above by excluding the "laying" in the form of bureaucracy from the system as a factor.

The only difference will be that from the economy, which from the realm of our fantasies, the system of self-organization will be based on investments from outside, and not on the general cash desk, the funds from which will be distributed to projects of universal significance.

If we talk about realities, then we can talk about two types of attracted investments:

1. Investments on a free-of-charge basis;
2. Investment based on the provision of something in return;

Considering that investment must be somehow attracted and the first type of investment from the field of fiction, since solving a set of fundamental issues, few will agree to pour a couple of hundred million dollars on a "contract", then it can only be considered if there is some a great idea that does not run counter to the ideas of those who have similar amounts.

The second option is not less complicated, but more fitting to the realities of today's



existence, if we consider such a mechanism as ICO. The only question is the built infrastructure over the tokens generated by the system of self-organization. That is, it is not enough to sell tokens in exchange for a fundamental crypto-currency of one or another implementation of the Blockchain, it is necessary to create a system in which tokens would begin to have value in the market. What if the system of self-organization of various participants solves the problem of building, for example, the decentralized Academy of Sciences, within which is not laid the foundation for the production of the final consumption product that could be integrated into the token generation system, either on the principles of system management or on the principles of exchange goods on them, or on the principles of removing "cream" from the company's profits?

The question can be solved by considering the problem not in the plane, but in volume and in time. How can try to do this? To supplement the model with the concept of interconnected systems, when the basic superstructure will be the basis for the formation of more private-order self-organizations, within which final consumption products will be created, and the generated tokens rotate on the market at several levels of the system. Thus, the first investors will count on the fact that there will be a real operating time, which can be implemented, on the basis of which it will be possible to build a second-level self-organization system with first-level tokens circulating on it.

If the matter concerns self-organizations that do not require large infusions at the stage of system start-up, then a consensus of the participants is enough, when the infusions will occur at the expense of the membership fee to the contract, which will form a universal cash fund, whose funds will be used for the common good of the members of the organization and distributed by the voting system on the basis of included in the "contract" algorithm.

Thanks to this technology, it is possible to establish the most complex highly organized communities aimed at realizing specific tasks, the solutions of which will be the property of all mankind. The more fundamental tasks will be tackled, the greater the chances to develop the community to an impressive scale in terms of self-organization, which will influence the revision of the principles of self-organization of people in the broadest sense of the word and entail the solution of the task of decentralized education and the subsequent tactical tasks in building a decentralized economy.

3. Decentralized science

If someone thinks that science is one and there is no other science, then he is very much mistaken, because in the world there are many unrecognized science directions. And again we return to the question of the system of authorities, which, once a new economy is built, must be solved once and for all.

From our position there are no authorities, there are people with some or other baggage of meaningful experience, which are the bearer of this or that understanding about the processes in the Universe. Each of them can be useful in the general system of decentralized self-organizations.

If we take into account that every representative of orthodox science had a basic education aimed at servicing monopolies, in addition, each of them is a hostage of the bureaucracy of academies in the dungeons, where each research is supervised by bureaucracy, then what science



about can be a speech when the head of the scientist is busy in order to please this or that higher authority? There can be no question of any science.

Science is only science when there are no boundaries, but only thirst for knowledge, creativity and discovery. In the science of a decentralized character, each person will be a pioneering scientist, who will have no need to extract a title, since he will be content with the extraction of knowledge and personal discoveries that will be freely transferred to the possession of all mankind. All the rest is bureaucratic nonsense.

If the principle of self-organization on the basis of the latest principles wrap around the research process of certain free representatives of science, then it is possible to establish a flow of new developments that will make it possible to switch to a tactical level next to its importance — the construction of a new infrastructure.

4. Decentralized energy

We have approached a question which is a headache of many patriots — whether the mineral resources should be nationalized or not. Nationalized by whom? Bureaucracy? They are nationalized by the bureaucracy, what do not you like? According to the "fengshui" nationalized. If we talk about this issue in static, then it has no objective basis, since the economy and sociodynamics are moving in a very obvious direction. The question of nationalization can only be considered within the framework of *the transition period*, since as the development of decentralized energy lion's share of the energy sector disappears as useless.

Centralized energy is a monopoly that needs to be excluded, not on a legislative basis, but at the level of a decentralized science. The essence of this approach is that each monopoly requires attention of a huge number of people who need to spend personal time on servicing monopolies. With decentralized systems of access to energy, the task of renewing it must be solved within the framework of a private and maximally narrow self-government — a district, a street, a house, that is, without attracting additional external forces. If this energy is based on the consumption of consumables, then this is the same monopoly, but more damaging, as resources are spent on packaging and recycling of waste within each individual business entity.

Everything should be the most flexible, so that everyone, a private house, had the opportunity to move to a new place with the whole farm without all the attendant problems with connecting to the communications.

Decentralized energy should solve the problem of cities with scattered high-rise buildings, so that within the framework of the apartment association there was a substation serving the house, the street, etc.

5. Decentralized communication system

This question relates to the previous one. Industrialization has entailed the construction of urban piles, which are serviced by centralized heating, water supply, etc. This issue must be solved cheaply, when in a multi-storey or private house it is possible, thanks to decentralized science, to solve the issue of supply locally and without unnecessary movements. The solution can also be directed to circular systems, where waste would not merge into rivers and lakes, but the adjacent



parks and botanical gardens would be fertilized and irrigated.

Taking into account the many kilometers of pipes laid, it is at least foolish to speak of the effectiveness of such systems, an unimaginable amount of heat and energy loss occurs, the generation of which consumes the real work of every resident of the city.

In the form of a digression from the general theme, let us say that we consciously overlook those industries that serve the mining industry, manufacturing industry, etc., since a certain layer of belief is formed in the system of stereotypes, that extraction and production must be built precisely from the usual patterns, when tons of metal, fuel and huge amount of human energy are involved in ore extraction and production in engineering. The whole layer of technological solutions is not as efficient as possible in terms of saving resources, because even if we take a typical car, it obviously does not satisfy the needs of a decentralized, flexible economy, because the vehicle is big, heavy, iron, rusts, consumes oil, gasoline, breaks and requires to itself of huge attention.

If we talk about decentralized education as the basis for a decentralized infrastructure, decentralized science, then we can only imagine what technological fruits it can provide to us in the future, so at this stage we should miss the production moments from sight and fix the moment about their complete inefficiency in the new information environment, especially when it comes to self-organization based on the latest principles.

6. Decentralized system of distribution of surplus value and surplus product

Only by implementing all the previous tactical tasks we can begin to talk about automating the inter-industry balance of product exchange, when the model will include the main industries of the economy, from well-established processes in which people's lives will depend on decentralization. Without the realization of all the previous stages, due to the technology of the Blockchain, it will be possible to establish a digital concentration camp and no more.

This is the stage at which, beginning with a share of about 100%, self-organization systems connected to the state information highway begin to operate, through which all the statistical data of the economic system pass. That is, it is a docking stage of self-organization systems that solved tactical tasks of higher-levels. It is at this stage that the bureaucracy disappears as a class completely losing its effectiveness in the process of allocating resources, and hence the entire established credit and financial system, as a kind of global bureaucracy.

If we describe the structure of such an economy in a figurative way, then it is necessary to present a conditional, information highway, with a single reservoir, to which the percentage of surplus value extracted within the framework of self-organizations flows. The budget is distributed by decentralized voting. Roads and infrastructure are built on a competitive basis, or within the framework of public technology, when by automating processes in the economy, human time is maximally released and everyone can engage in everything that is currently interesting to him, gaining free access to the means of production.

Private farms serve not only themselves, but also their neighbors, nearby territories, in parallel engaged in packaging, transportation, etc.

Educational institutions are high-tech workshops, within which you can produce anything



you want. People train each other, without parrots in the form of certified teachers, etc.

Within this level, the prevailing share of active participants in the economy solves the tasks of strategic and tactical importance, understanding themselves as a complete master, since there is practically no one to scold, since the authorities as such do not exist anymore.

7. Absence of any kind of power as a phenomenon in society

We designated this moment as an exception and it can be the last one in terms of implementation, since it is most characterized by a system of stereotypes in a society in which either the factor of external power is included or the person is a bearer of free Will and autocratic in all respects. This point is even more special, that without the development of the freedom of Will, it is impossible to solve any of the higher stages, since a person will always wait for the weather at the sea when it will be presented, which he always dreamed of, and if it does not match his preferences, he will continue to complain endlessly.

In the opposite sense of the question, all stages in the development of the strategy can be realized without an orientation toward power, when the society will be able to develop to a level of self-organization, that the budgetary funds will have no use, but will be influenced by the people themselves, decentralized budget. That is, the speech of this work is not about taking power in the framework of elective, democratic procedures, or in the conditions of revolution, but it is about creating a parallel economy that will eventually replace the current one. This is a consensus of all levels of the state system, when some do not interfere with others, and others do and develop. Moreover, having come to power, one can either give a move to these processes at the level of freedom in self-expression, or not. Therefore, coming to power little will change if it concerns the state of society as a whole, living without a king and god in his head and looking for them in the outer space.

This moment can be divided into two camps of supporters of this or that approach to the management of society. A typical example is the EU and all those who say that the old Europe has degenerated. The European bureaucracy unconsciously realizes the algorithmic function of the distribution of social resources and does not get into the affairs of society until certain elements make illegal wrongdoings. That is, she realized her destiny and played enough in kings and servants, giving the right to people to develop as they please. And as it does not seem strange, it is easiest for Europe to implement steps towards a decentralized economy, rather than those who expect the king and god. Because people in Europe value, and not the value of conditional territories, which will dissipate under the influence of a global current aimed at the formation of self-organization systems.

If in a more general sense to describe the moment with the lack of power, then it can be represented as follows. There is a single infrastructure within which users and developers operate. Where each developer is a user and each user can, with the effort, become a developer. The developer in the broadest sense of the word, since the education system will not restrict a person to a narrow specialization. Decentralized education system is when there is a universal information field with all the information that every person is immersed in, there are no authorities, but there is only a thirst for knowledge of this world and there are no boundaries in this endless process. Do



not we live in a similar world without borders, where access to everything is only at the level of information so far? Because in the beginning was a word and a word that was dispersed in space and in time.

6.1. Additions to the topic

The above article was published in the autumn of 2017. The current work complements this article on points 6 and 7, from the list of tactical steps and in fact, figuratively gives an idea of what to strive for, or about a task of strategic importance. Where point 7 completely corresponds to the last stage in the life cycle of the economic system, and from point 6 begins the transition period or the launch of a new era. Therefore, the remaining section should be devoted to slightly supplementing the first sections, expressing a completely preparatory stage.

We will not go into details about *the decentralized education systems* at the preparatory stage, since we have already decided that any instructions on this issue only strengthen the rut when the purely individual vector of development is excluded, which should represent value in the new reality. Everyone should find out for himself all his strengths and weaknesses in order to start personal research in one area or another. Having taken one single book and scooped out a number of descriptions or, as a rule, **support in the field of personal observations**, the chain of subject areas will constantly expand. Therefore, having a convenient device for reading books, or a media device with access to the Internet, one can develop at any point in space and time. Because any information already takes place to be and in completely free access.⁴¹

We need to clarify the next stages, since the first stage has already taken shape in the modern world in the form of access to any volume of information, and the next stages will complement the first in the proper way, **forming the environment necessary for self-education**. Talk is about *decentralized systems of self-organization*, thanks to which it becomes possible to solve all subsequent problems in the form of decentralized science, energy and communications.

In the framework of the Passionarity project, this moment is also envisaged, which is expressed in a platform called CashBox⁴². The essence of this platform is that with the use of "Smart Contracts" Ethereum, an investment cashier is created, all of which will work to finance research projects that will be distributed on an elective basis by the participants of the platform. In more detail with the idea of the platform can be found by clicking on the link, there is also available the source code of the platform located on our page in Github.

Add to the topic about the CashBox platform we need the following. It was created to implement all the points of *the preparatory stage* in general and *the transition period* in particular. What does it mean. This means exactly that as projects develop on its basis, external observers can draw on knowledge from the course of events occurring in the framework of research processes, and the principle of building a platform contributes to the fact that credit funds will be already generated at an early stage, **which in the future can be send to the side of the GRS**, in order to

41 This is, incidentally, an addition to the moment of belonging to a language system. Possessing Russian and English languages, you can not bother buying books. If it concerns fundamental works, and they are usually written much earlier, they will always be on the network.

42 <https://passionarity.org/cashbox/>



serve the interests of the newest economic paradigm. This is implemented due to the fact that the base contract of the platform includes the migration of PSY-tokens in the direction of third-party contracts. Accordingly, each contributor if he has its own funds of generated tokens, thus:

1. Invests in the development of *decentralized systems of self-organization*;
2. Invests in fundamental projects aimed at creating *decentralized energy and communications*;
3. Stays at the very beginning of the creation of the newest economic paradigm, and he is, in fact, one of its founders;

Given the principle of constructing an economic system described by us, where the dignity of credit tokens is equated to the nominal value of the fiat currency, this indicates that the investor that participates in the CashBox platform does not lose anything and **invests in the long-term perspective of creating a decentralized economic model.**

* * *

And now about the sad. There is no need to scream out loud about the described project, for several reasons. Part of them we already described at the very beginning of this book. We will add only that everything that should be realized within the framework of the project flows outside the comfort zone of typical masses consuming "popcorn and chewing gum". Accordingly, any form of investment in advertising, from the side of the organization Passionarity, is tantamount to the fact that we will advertise their work on themselves and their mistakes. Is it possible to speak about the effectiveness of such advertising, if it is not aimed to sell so popular to all the fruits of pop culture? This is equivalent to starting to spray money with a fan and expecting that they will bring some result.

Accordingly, the project Passionarity aims to play long and in the absence of any kind of support from the outside, as there is an understanding that the society in which the work is done is not yet ripe, and when it ripens, no one knows. On the basis of this understanding, it is decided that all steps to launch the CashBox platform are postponed until the confidence that the society has matured in the quantitative scale which necessary for the development of the project is reached, and all major efforts will be made in the area of creating the **I²BALANCE** system. Therefore, if it suddenly happened that you have read down to this place and:

1. Wait when someone turn to you, bring money to you and ask you to do something for the benefit of the project;
2. You think that this is a complete nonsense and it does not have any prospects at all;
3. Choose the best moment to booze with dudes at the first opportunity;⁴³
4. Were inspired and decided to run to representatives of a particular political party, to ask them to start developing something like that;
5. You think that it is possible to do this only at the level of the president of the country or

⁴³ As a rule, such did not read down to this place, because they can not comprehend a third of the written.



the government;

6. Afraid that:

- You will be killed;
- Mother will scold you;
- You will be imprisoned;
- Your husband / wife leave you;
- All together;

In case of a positive answer to at least one of the presented points, you can be sure that this project is not for you, and the economic and social paradigm that entirely exists in today's world and directly in your state, was created just for you and then what you have in it — belongs to you by right. As for the development of the project, in general terms, it has all the chances to be realized in the case when the entire volume of work is done quietly and without unnecessary shouts in the squares, since at the moment of full implementation of the system at the source code level and functioning systems of the decentralized character, the project has an absolute opportunity to become the only and unique, alternative to everything — **a political force of a global scale**. And at the moment, the Passionarity project is the project of one single person, whatever you think about that.

Roman Podgaiski

MTÜ Passionarity

www.passionarity.org

January 2018 — May 2018