

Banks of Social Capital: The creation of a new institution or how to pivot into the Coliberal Age

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The submission proposes an upgrade of the current economic system by enhancing collaboration and shared-values. This is achieved through the creation of a bank, issuing a currency based on ethical and human values rather than on financial ones. Estimating these ethical values through the wisdom of the crowd, facilitated by Artificial Intelligence and secured with Blockchain technology favours a more reliable socio-economic transaction. This institution acts as a redistributive glance. It rewards social involvement and actions that are coherent with the currency's values. Thus, it reduces the marginal costs of projects, while extracting and redistributing capital created from the now rewarded values.





1. Abstract

As climate change, population growth and extreme poverty, among other issues, intensifies in today's challenged world, we need to turn these growing threats into opportunities for improvement. Only by tackling these issues collectively, we will create a more sustainable and brighter future. By sharing processes and resources at a human and international scale, we can democratize and enhance innovation and technological breakthrough worldwide.

Therefore, it is important to facilitate collaboration, not just at a political level, but at an economic level as well. The rising issues are not so much political consequences as the result of a dysfunctional and obsolete economic system that does not redistribute the value created fairly.

Recently, notion such as cryptocurrencies, Big Data or the crowdsourcing process have known an increase of interest from the global community. The emergencies we are facing are as much chances to turn these still marginals and abstracts concepts into active tools in the quest of making human development sustainable. This application describes how we can transit our global economy to a more resilient and adapted system without facing major political and jurisdictional conflicts.

The concept is called **Coliberalism**. It is the improved version of our current capitalist system. It comes from the fusion of the two words “*collaborative*” and “*liberalism*” and consider Social Capital as an important resource to strengthen our economy. The main ideology behind is that by enhancing collaboration in our society, we are enlarging our individual freedom as we are capable of more with less funds: Our individual freedom is enhanced by the collective support and reciprocally.

To allow this socio-economic shift to happen, we don't need a revolution but **one** simple change in the economic landscape: the creation of a new institution. This application describes how the creation of a new financial institution could endorse the difficult role of **empowering** ecosystems by enhancing collaboration between economic agents.

Serving as a redistributive glance, these **BoSC** (Bank of Social Capital) are what will make this change possible. Once implemented as **redistributive** monopolies on specific industries, they enable growth and cocreation through financial facilitation and access to an unrestricted supportive network.

BoSC functioning will be described extensively in the development part. The role of these banks of collaboration is to redistribute funds and data to the right people at the right time. To do so, BoSC have at their disposal one main social tool that allow them to create trust between economic agents in a disruptive way: the creation of a money new of its kind call “*virtuous currency*”.

The rise of alternative currencies show the willingness of users for such a technology. But its potential has not been unleashed yet. Thanks to the blockchain technology, we could release Mass Collaboration by basing this new money not on financial values, but on ethical and human ones (such as ecological protection, gratuity, creativity, quality of the social interaction etc..).



By enlarging the spectrum of values we consider in our transactions, we could exploit Social Capital, reduce the marginal cost of goods and services, facilitate the funding and solving of issues around the globe while encouraging more sustainable/healthy practices. As BoSC plays the role of an ethical glance that issue and distribute the virtuous currency, it requires trust from its users. In other words, legitimacy, credibility and accuracy.

To fulfil these criteria, the ethical values will be estimated democratically through the **wisdom of the crowd**, facilitated with the help of Big Data and Machine Learning and secured by the blockchain technology. By asking people how much do they value certain ethical criteria, we can obtain tendencies that people can accept and relate to because of the inclusive and democratic nature of these results.

Introducing BoSC in the economic landscape give the global community the tools to handle both individually and collectively, issues that could not be handle otherwise. If any meaningful project can get the support of the smartest mind in the field for free and if knowledge and funds are shared at no financial price, we can start making people accountable for what they consume and produce.

The growing mass population and the reduction of job due to the increase of productivity also fragilized employment. We can apply this process of crowdsourcing to handle the coming wave of unemployed workforce and adapt the way we work. In a coliberal system, people don't work, they help. They don't borrow, they donate to each other. Marginal cost is reduced because BoSC disrupt the mechanism of offer and demand with the virtuous currency. As a project holder, you can ask all the support you want at no cost while the person helping is being paid by the BoSC with the virtuous currency. That way, we can solve the main intrinsic issue of capitalism: reducing marginal cost to near 0 while still being able to extract profit.

To pivot our economy from a tangling capitalistic system to a Coliberal one, a supra-institution of BoSC would allow the collaboration between those financials super-puissance. Having an independent Central BoSC would allow to harmonize the virtuous currencies and take global collaboration to the next stage by making the BoSC interdependent. In the long run, this system could as well reduce the negative influence of two controversial economic tools. Since money is given at no cost and social and societal actions rewarded with the virtuous currency, we could see both Debt and Taxes disappear from the classic scheme of doing.

This model is plausible because it involves the creation of just one innovative type of institution. Today, with the help of the Global Challenge Foundation, we can give a new face to this post-capitalistic society. Because we empower individuals and reward positive behaviour, power of actions become more decentralized and shared. Meaningful and innovative initiatives don't rely only on brilliant minds, government support or humanitarian funds anymore, but on each other interests and commitment.



2. Description of the model

INTRODUCTION

The name Coliberalism stands for an ideology: Our individual freedom is enhanced by the collective support and reciprocally. The concrete economic model that allows the transition is made possible thanks to the implementation of what we will call a **Bank of Social Capital**.

A Bank of Social Capital or BoSC is a suggestive term to help understand what is the concept behind this new institution and what it stands for. It consists of the combination of two concepts: The word Bank refers to the financial institution. The second term Social Capital is trickier to define as its meaning is still disputed and unclear for substantive and ideological. While it makes the definition of the BoSC extensive, we will consider Social Capital as social relations that have productive benefits, facilitating economic transactions.

Indeed, like other forms of capital, Social Capital is productive as it makes possible the achievement of certain ends that in its absence would not be possible. It is the term “Capital” which emphasizes that social capital, like human or financial capital, is a source of production: It enables us to create value, get things done, achieve our goals, and contribute to the development of the economy. While other forms of capital may indeed be socially beneficial, they are used mostly to benefit those who own it. Social capital, in contrast, although benefiting individuals, is expected to produce goods or services that are more collective than just individual. These benefits we find most generally associated with social capital are called **mutually beneficial collective action** (MBCA).

Because this type of capital exists elusively between people and within social interactions, it can hardly be directly measured. However, the overall participation to MBCA and its consequences are positive productive outcomes that can, in theory, be estimated more easily. One concrete example among others which plays a major part in this institution is the use of “mutual funds”. In the same way that Social Security handles your medical expenses when in need, mutual funds will finance projects which have accumulated enough MBCA and which are, on paper, ready to be launched.

In this complex context, a BoSC can be understood and considered as a financial and social institution enabling the redistribution and expansion of MBCA. As such, the development of this work will firstly discuss the main characteristics of a BoSC and how it differs from traditional banks. The second part will analyse the notion of what we call the “Virtuous currency” and how it can be issued before diving into the details of the functioning system in the third and final section: Operation.

1) BoSC DESCRIPTION

A) Purpose and aim of the institution

The main purpose of a BoSC is the same as any other financial institution: economic prosperity. Only the method differs. A BoSC add value to the economy by nourishing and redistributing a circular flow of Data and Funds. Its aim is to create more efficiency and impact on the economic landscape by funnelling not just pure monetary support but non-restricted collective assistance as well. The overall purpose of this new generation of institutions is to **harness the power of mass collaboration** with the aim to reduce cost and facilitate the co-conception,



co-production and consumption of goods and services. A BoSC thus gives a good reason for individuals, enterprises and other organizations to contribute and collaborate with one another: the creation of a currency new of its kind. To successfully harness the potential of mass collaboration and enhance help between economic agents, this new institution must establish, issue, regulate, estimate, attribute and distribute an innovative but representative currency that we will call “Virtuous Money”. The theories and methods which form the basis of this mechanism will be further discussed in the second part of this application, as well as its expected impact on the global economy.

Due to this shift, the BoSC is not just a financial institution but a financial market **on the industry it serves**. Sellers and buyers, in this case project holders and contributors respectively can now match their interest in terms of borrowing and lending, support and contributions. This platform can be used not just to raise capital but also and primarily to reduce cost through the sharing of relevant data and the mutualisation of expenditure. Actions such as establishing connections with organisations and associations of like-minded persons, disseminating knowledge and information to other economic agents, raising awareness and donations on issues would now be possible at no mercantile cost.

Therefore, the real and main mission of this new bank is to regulate this **Virtuous currency** by keeping its distribution stable, fair, and insuring a constant redistributive flow among project holders. Acting as a social and financial intermediary, the BoSC has the potential to make mass collaboration a tangible reality as we turn simple contributions into well-rewarded mutually beneficial economic assets.

B) Structure of the Institution

Flat hierarchy

While this institution would need recognition or at least some kind of support from the governance, it is equally important that a BoSC remains independent from it. Given the fact it is a disruptive institution, the formal and bureaucratic world would not suit such an organization. Instead, a flat organisation would best manage this innovative structure, allowing for flexibility in the management and a meritocratic leadership which would facilitate creative thinking and promote collaboration internally.

Internal capabilities

Internal capabilities are crucial to launch such an institution. They include the expertise of the director’s board, as well as the operative staff necessary to run the platform daily. The role of the employees is to spread collaboration across the market. To do so they will make sure that the Virtuous currency issued is coherent and circulates efficiently within the BoSC ecosystem.

Therefore, several departments are critical to a BoSC. Firstly, there are technological requirements which must be dealt with. As it deals with a colossal amount of data and funds, a BoSC must be able to both generate and redistribute them. Consequently, the database needs data scientists to manage it, strong protection to avoid criminal hacking, and of course an aesthetically pleasing design to convince final users. Furthermore, given that a BoSC would rely on AI, blockchain and Big Data, all this technology needs to be operated internally as well.



Secondly, the law department will play a crucial role as many legal issues will be raised during the creation and the running of the institution. Thirdly, but equally as important, is the financial and economic department. Issuing the Virtuous Score is a core feature of a BoSC and as such a thorough economic understanding and daily calculations are decisive elements to ensure a proper maximization of the currency. Besides these three main components of the BoSC structure, classic departments such as Marketing or Human Resources could be added to help this new financial institution to outperform. These departments are conditional depending on how far the BoSC is currently developed. However, there is one specific profession which is key to the institution's success: Community Managers.

A supportive people-oriented community

As we are turning into a global community, it is important that the operational staff's make mass collaboration possible. Without organizing this community into smaller communities, mass collaboration is not conceivable. For Social Capital to be shared throughout the institution, members first need to share common interest or at least a sense of belonging. Social interaction is the cornerstone of this institution and employees have to make sure everyone can benefit from these connections. As opposed to the traditional banking scheme where customers only interact with the bank, customers become a well-connected network of contributors, co-designing their own projects.

While the ultimate purpose is to develop a project, there are no requirements regarding this project's form. Indeed, as a project is a personal endeavour over time, having a finished idea to contribute from the start is not necessarily mandatory. Nonetheless, the vast majority of BoSC members are project holders, meaning people or organisations who are willing to carry out interrelated tasks carefully designed to achieve a particular end goal. The rest of the participants will be commercial entities participating in the making of these projects through their presence in the BoSC market place.

To incentivise Mass Collaboration, contributions are oriented towards the needs of the community itself. Everyone is encouraged to help everyone else through the distribution of the Virtuous currency to the helpers. As we now focus on the individual's needs, the crowdsourcing process (outsourcing a specific task to many people) can be applied to the personal exigencies of the project holders. The total amount of project holders ultimately forms a crowd of people with a common interest: the making of their project. By closely monitoring each other's progress, they are inspired to help with the realisation of each other's projects.

Decentralization

The structure of this Institution aims to offer **innovative solutions** to existing difficulties. As markets and communities are all around the world, having other perspectives and extended possibilities is what makes this well-connected network so valuable. Contrary to classic Banks, a BoSC doesn't limit its member business coverage to within its own regions but aims for a decentralized approach. As many communities are completely decentralized, the goal is to spread virtuous contributions through an international, diversified and distributed supportive network.



Physical facilities

As described, the purpose of a BoSC is to facilitate the making of people's projects by giving access to financial and human support. As an innovative and decentralized structure, it does not specifically require physical facilities to operate. However, this feature would be a strategic move in terms of business development. By proposing physical facilities in strategic places such as big cities, different kinds of people could be reached and convinced to participate in this new banking system. These physical facilities could be equipped with technological support such as augmented reality helmets which would facilitate decentralized collaboration. In addition, these physical facilities could simply be hubs or co-working spaces where contributors come together to support each other. People who need help to get started would benefit from a direct and offline assistance, while those who help would increase their Virtuous Score.

Specificity of the Redistributive Monopoly

Having different Banks of Social Capital operating within the same market would result in a loss due to a cannibalisation of the needs. The more exclusive the supportive network, the more value (capital and contribution) can be redistributed. Therefore, a BoSC should limit its coverage to a specific market or targeted communities. That essentially refers to a group of potential consumers who is interested in purchasing a related type of products and services. These markets need to be general enough so the adequate number of people could potentially participate in it, but it also need to be specific enough to exclude unrelated involvement.

Circumscription of the Monopoly

The circumscription of the monopolized industry is defined according to the specificity of the industry and the community's needs. If tomorrow there is a critical mass of people willing to collaborate and help each other to eat healthily, then this vision becomes the new market which then internally regroups many industries. Healthy eating involves many fields: agriculture tips, logistics, scientific research on consumer behaviour and biology, technological innovation, etc. All of this involves many different shareholders. To resolve problems related to the circumscription of the monopoly between the different BoSC, a central BoSC could be created, insuring credibility, collaboration, and financial guarantee to the BoSC network as well as the respect of the regulations put in place.

C) Criteria for decision

Projects which are eligible for the funds now fully rely on three variables independent from any potential ROI or guarantees from project holders.

The addition of these variables determines a score for each project which in turn creates a ranking of the projects. On a regular basis, be it every day or every month for example (depending on the nature of the market), the accumulated financial resources will fund the first projects until they are exhausted. Therefore, the main criteria for being financially supported is the completion of the three following variables:

- The Online Specification or **Completion of the project**: How complete, precise and traceable online is the project



- The **Social Involvement**: How many Virtuous Money has the project holder accumulated compared to the final cost of the project
- The **Donation**: How much donation has been made or received compared to the final cost of the project

II) THE CREATION OF A VIRTUOUS SCORE

A) Description

The BoSC, unlike classic banks, considers more than just financial capital but the social capital of its contributors as well. To exploit and measure the outcome of this specific capital (MBCA), we need to take new criteria into account. To handle this difficult task, a BoSC will issue an innovative currency we call “Virtuous Money”.

The “Virtuous” part of this tool simply means having or showing some moral standards. We can consider these virtues as an expression of capital to the extent that they are instrumental in improving an individual’s personal quality of life. The aim of this currency is to extend the spectrum of values we consider when we transact between each other. By doing so we can start scaling and spreading virtuous actions more easily.

This currency will be used and considered valuable only if people judge it as fair and equitable. As it is supposed to reflect the wealth of an action according to terms other than just economic ones, people must believe its value and distribution are legitimate in order to spread the value of these values. The real *raison d’être* of the BoSC is therefore to make this financial trigger as coherent, stable and representative as possible. This is made possible thanks to emergent technological tools such as Big Data or Cryptocurrency, but as well and before anything else thanks to the recording and monitoring of moral values **defined by the community itself** and considered as important for and by society at large.

B) Defining the community core-values

Firstly, it is important to understand the pre-established moral values upon which this score is built. To make the Virtuous Score as representative as possible, there is first a need to elect the moral values by which the community wants to be judged.

While the number of moral values this money relies on is potentially unlimited, we do not want to add too much complexity in its monitoring. A fair number of values could be approximately 10, as it allows for a fairly complete picture while also selecting the more important ones. Obviously, these moral criteria will always change depending on the nature of the BoSC. However, we can expect some moral values such as “quality of the social interaction”, “ecological protection” or “gratuity” to be common regardless of the industry it serves. By choosing few but relevant criteria and values to live upon, we can give a global strategic direction for the entire community.

To establish and select the most important values for the community, BoSC managers will have to choose out of a panel of values relevant for the industry. Once the BoSC board of Directors has selected the more relevant and practical moral values, it is time to estimate the importance of each of them. To value intangible and elusive concepts such as moral values there is no easy way but a democratic one: **The Wisdom of the Crowd**.



In 1906, the statistician Francis Galton observed that the median guess of a crowd of approximately 800 people was more accurate than any individual estimation. Based on the assumption that the median is centred near the true value of quantity to be estimated, we could ask each individual through surveys and studies to provide their own estimation of each moral value. Either through direct estimation: from 1 to 10 how much do you value the price reduction as a healthy eater? – or as a comparison: as a healthy eater, do you value more ecological protection or price reduction? – Through the attribution of these surveys, we can obtain numerical estimations as well as ranking the significance of the moral values by which people want to be judged.

As the way we perceive moral values are subjective, elusive and contextual, we will never be able to obtain an absolute value. But we can obtain tendencies that people can accept and relate to because of the inclusive and democratic nature of the obtained results.

C) Recording help and collaboration into transactions

Now this money is not going to reward any kind of transaction. It is important to distinguish what we reward from what we don't. On one hand, there are traditional and commercial transactions. On the other hand, there is the concept of Social Involvement.

Social Involvement can be understood as all the action that one does which helps and supports other people as well as showing concern for collective welfare in general. As individuals living in society, it is not too much to assume that we all take part in these two kinds of transactions. Commercial transactions tend to be more regular because we rely on them to live, while Social Involvement usually brings more benefit to others around us. When project holders ask for help, they do not expect to have to pay anything. These contributions aiming to answer other project holder's concerns are therefore **Social Involvement**.

By recording the Social Involvement relevant to the elected moral values and rewarding them, we can turn these positive actions for society into mutually beneficial collective action (MBCA). Indeed, these contributions are transformed into MBCA from the moment we start recording and rewarding them. Because Virtuous Money are necessary to obtain the funds, a project holder, by helping other project holders, first helps him or herself. Consequently, a relevant record of the Virtuous Score is needed. In some cases, only the people concerned will be asked to value the contribution through a self-assessment survey (from 1 to 10, how helpful X was) while in other cases the entire community can be involved. Let's say a project holder needs a translation to sell its healthy vegetables abroad. The translation obtained from other members of the community will be evaluated regarding specific criteria to the action. Some factors could be evaluated technologically: rapidity, richness of the vocabulary; while others would be recorded by the community: overall quality, creativity, cultural immersion etc.

We could even convert a simple transaction into Social Involvement if the Virtuous Score brings more profitability. Imagine some good costs 20 to produce and are usually sold at 40. If the community estimates price reduction or even gratuity as very important for its well-being, selling this good at 20 could be more lucrative as the compensation with the Virtuous Money would be more important. The amount of Virtuous currency received will therefore depend on the **degree of**



respect for the moral engagement in the action. To do so, we need to establish a ladder with the minimum and the maximum of each value and locate each action on them.

III) OPERATION: THE SYSTEM

I) Model Equation

To have access to funding, three categories of actions are taken into consideration:

1-recording the online specification of the project, 2-providing a social support and 3-donating to others. It can be translated as:

Online Specification: $OS_i = \sum_{k=1}^n [P_k]$ where $P_k \in T_i$

Where T= transaction; P=Price of this transaction; i: the project; €= Euro;

Online Specification represents the overall cost of the project. It can be described as the total amount of transactions required to fulfil the project, verifiable online, multiplied by the price in € of each of these transactions.

This measurement is used to calculate the ratio of the two other variables. To be valid, it must provide all the supportive documents that some members of the community will be asked to review and confirm. A form of “project template” will help approximate the missing step by detailing every micro-task or aspect of the project which could potentially be taken into consideration (type of materiel, features, etc.) and therefore estimate a % of progression.

Social Involvement: $Sli = VMi * X$

Where VMi= The amount of Virtuous Money accumulated by the project holder; X= the exchange rate calculated by: $X = \frac{VRT}{EUR}$ where VRT= the index price of the Virtuous point; EUR= the index price in EUR

This measurement is essential to understand the impact of the project holder on the community and to ensure that what they provide in terms of involvement is somehow proportional to the amount they are asking.

Donation: $Di = [(1-x) * DMFi \text{ €}] + [x * DSPi \text{ €}]$

Where DMFi= Donation made to the Mutual Funds by the project holder; DSPi=Donation made by the project holder to Specific Projects and $0 \leq x < 0.25$

Project holders must provide donations to the mutual funds to fulfil this variable. By doing so they can dedicate a % of this amount directly to the project of their choice. The addition of DMFi and DSPi determines how much the project holder has donated.

We can convert these actions into rates:

Social Involvement Rate= $SI_r = Sli / OSi$



We capture here how much the project holder has contributed compared to how much the project costs.

$$\text{Donation Rate} = D_r = D_i / (OS_i - DR)$$

Where DR= Donation Received is the amount of DSPi dedicated to this specific project

$$\text{Online Specification Rate} = OS_r = OS_i / OS_i \text{ if } OS_i = 1$$

Where 1 means the community has validated the specification and 0 it has not.

From these values, we can obtain an index to calculate percentages. We can then equally ponder those percentages in order to obtain one final percentage which, when compared to all the other percentages, will be used to obtain the final position of the project.

B) Financing turn-over

The amount of contribution received into the mutual funds will finance the first projects until the funds are exhausted. As a result, the more involved the project holders, financially and socially, the faster their projects are funded. This process of funding is orchestrated by a regular and constant turn-over depending primarily on the nature of the industry the BoSC serves. That means at the end of the month, the BoSC blocks the Donation to the Mutual Funds and finance with this amount, the first projects of the ranking. If there is only enough money for the two first projects, the rest of the money will go back to the mutual funds of the next month and the project which was third will now be in first position, and so forth. These turn-overs must be pre-defined coherently by the BoSC's direction for efficiency as it defines the speed of funding for the entire industry. By having a large turn-over, more wealth can be accumulated and therefore more demanding projects can have time to be properly developed. This turn-over could be daily for basic needs such as food, monthly for complex industries such as real estate or even yearly for ambitious projects such as the space conquest industry.

C) The first variable: Online Specification

This component of the system will specify the details of each little step of the project and who will take care of it. The project holder will oversee this task as it concerns the fulfilling of her vision and is the more apt to do so. The Virtuous currency provide a crowdsourced network of services to help perform this referencing task. For any questions or specific information required, there is now someone willing to help.

With this new model, we are looking deeper into people's ideas and goals and how to make them coherently work with related ideas. By pushing the documentation and specifications online, we can identify where there is need for clarification, where the community can contribute and what and whom can be financially or societally helpful.

Now, not every project holder will be willing to publicly expose its project and the potential secrets it holds. But as the money of the mutual funds come from others, transparency must be imposed. In that case, the degree of confidentiality and openness could be adjustable. In the same way that Facebook let us choose the



degree of confidentiality of the information we want to share with the rest of the world, project holders will be able to choose to whom, each information could be disclosed and shared.

The BoSC must make sure the project is properly detailed. It can provide a typical framework or pattern for specific kind of projects. Because not every project holder is on the same development stage in their project, this factor of readiness is what distinguishes those who can be funded from the others. Because not everyone fulfils this variable in the same time, we can redistribute the funds fairly over time.

This is a mandatory step to make sure that money is well used. To have access to funds, we need to be able to estimate the amount of financial and social contribution provided by the project holder.

D) The second variable: Social Involvement

Social Involvement can be understood as all the action that one does which helps and supports other people as well as showing concern for the collective welfare in general.

It is all the good practices and small positive inputs that add value to society at the individual level, within large groups of people with a common interest. It is the result of behaving ethically and sharing Social Capital in general. It already exists everywhere around us; we just don't consider it yet. When someone behaves ethically, we usually do not reward this behaviour with economic incentives as it is commonly accepted by society to behave to the ethical standard. The Social Involvement variable is the economic recognition of this good behaviour. It's the individual helping others, it is the start-up societally oriented or the activist committed to re-established fairness. It already exists all around us and that is the reason why we want to spread it. **All these actions, positive for society**, are based on values that we don't consider as valuable from an economic point of view. If we pass these positive actions through the glance of the BoSC and reward them fairly with the Virtuous Currency, we can start accounting moral actions and spread them through the liquidity of the ethical currency.

As the whole community is incentivised to get involved in the well-being of the ecosystem, the crowdsourcing process contracts the ideal condition to make mass cooperation thrive and enhance individual freedom through collective action. If we have a look at the most famous sample of crowdsourcing, Wikipedia, a collective contribution offers the entire world access to the most updated and accurate encyclopaedia in the world. If people's contributions can democratize universal knowledge by annihilating cost and risk while improving the overall quality of the content, it is a process that we would need to spread to as many fields as possible. Now this may not be achievable in every field but this process of crowdsourcing can be used by the BoSC in many ways:

Creative Crowdsourcing: The process of gathering novel and useful solutions for creative tasks.

Collective Intelligence: The shared knowledge or group intelligence that emerges from the collaboration and competition of many individuals. Any doubt, request, question or requirement a project holder is concerned about is an opportunity for the community and its collective intelligence to contribute and



express itself. Through votes, reviews and other forms of feedback, it becomes possible to improve individual projects and address global challenges in a much more complex way. It is this form of contributions that allow to reward Social Involvement with Virtuous Currency as surveys or direct feedbacks allows to determine at which degree values have been respected according to the pre-established values of the Virtuous Money

Community Expansion: Often, the capacities of an existing crowd are not enough. In order to keep on answering challenges and people's requests, it is important that this crowd keeps on renewing itself by collecting and gathering more people and projects. It is the act of "recruiting" the part of your network which could be the most relevant for encountered challenges.

Crowdfunding: The act of raising capital from many people. It is an important feature of the BoSC. A smart financial contribution could bring many social involvements if the funds serve a great project in need. For an obvious purpose, it belongs to the third variable: Donation.

E) The third Variable: Donation

The third variable to have access to the funds is Donation. Instead of everyone borrowing liquidity off everyone else, everyone now donates to everyone. That may sound like a naïve or Marxist idea, but economy of scale, mutualisation or synergetic action are economic realities, and the financial advantage of participating in this system while having a positive impact is what should make people change their behaviour.

The process of mutualisation for instance is what makes insurance and social security possible all around the world. If we could expand this process to our entire economy by making it more flexible, we could drastically reduce our marginal cost. However, the main reason why people should start participating in that social and financial shift is that we could reduce the negative influence of two very controversial economic topics: Debt and Taxes.

Debt, firstly, because if we now can consume by donating, there are no more reason to apply interest rates to funds. Because access to funds no longer come to a cost, we don't need to create money which does not exist (debt) to stimulate the eco-system. Project holders do not have access to funds through credit anymore, but through equity.

In the long term, the consequences of the social involvement and the donation together could remove the burden of taxation. Not that charity is already in some cases tax deductible, but that if people can now donate to the institution, social enterprise, NGO or even individuals that can take care of some urgent issues, there is no more need for an excessive state imposition as the ecosystem would handle the issues by itself

The 3 types of donations

Concerning this variable donation, there are 3 different ways to fulfil it:

Mutual fund

The first and main way is the participation to the general or mutual funds. It is a classic type of mutualism such as social security where everyone contributes



to fund the ones in need. It is this fund which funds all the projects of the BoSC. Depending on the financial turn-over of project, it will fund the more deserving project, meaning the projects ranked first this month.

The advantage of this type of participation is that it is possible to take back the money anytime. As money is landed at no interest, in case of trouble, contributors can take back their money and only the number of projects funded that month will slow down.

Personal donation

Participating to the general funds gives access to the second type of financial contribution: the crowdfunding or personal donation call DSP in the equation. For every 1€ of participation into the mutual funds, up to $\frac{1}{4}$ of the donation can be attributed to chosen projects. That way, it is now possible to fill this variable by giving money to our network. Depending on the nature of the project or the relationship with the project holder, this provision could bring Virtuous capital or “stronger” Social Capital. In this case, the money cannot be taken back as it now belongs to other projects. However, funding a project with a social or societal purpose brings social involvement as well, which would make this riskier investment a more profitable one.

Donation received

This is the other side of the coin and the final way to fulfil the variable donation: receiving donation. This, in turn, does not increase the number of donations which must be provided but instead reduces the amount which needs to be given. Through this main shift, we can now emancipate projects from the cost of transaction and debt interest as we now rely on equity provided by a strong network.

The main reason why people would like to consume in this way is that we can use this shared-equity as an advantage to strengthen our social capital. By being able to choose to whom our contribution goes, it is now possible to have access to funding by giving to our network, friends and family. Parents could invest in property by giving to their children. An activist could consume by putting her saving into NGOs. Companies could turn their investment into gifts for potential prospects or existing customers and allow a double leverage of the money: one financial and one social.

3. Motivation

1. CORE VALUES.

This first criterion is the core framework this new system relies on. In a Coliberal system, we aim to consider more than financial values in our transaction but as well as moral and ethical ones. To guide decisions and influence their outcome, it is important to know and understand what those core-values are. Using the crowd-wisdom, we can estimate, establish and quantify the economic value of each of this core values. This democratic way to estimate the value of our values insure that those who are in accordance with them get access to the fund faster than those who don't while insuring a fair flexibility in term of what there are worth.



The virtuous currency rewards the actions that are in accordance with the core elected values. The amount of virtual currency received will depend on the degree of respect for the moral engagement in the action. If all human beings decide, through the crowd-wisdom, to make ecological protection a top priority, then any action coherent with this element will be highly rewarded thus, providing strong incentives to be respectful of these values. Regardless of the up cost and location, any initiatives that help ecological protection will be compensated in virtuous currency. That way, we insure to spread these values around the world by considering a project not in term of cost but in term of impact.

That in turn, enhances the meritocratic character of our system: Having access to funds is not a matter of financial guarantee or ROI anymore but a matter of how respectful and helpful you are for the community. If in harmony with the core-values, the virtuous currency will reward extra-expense and prioritize its funding. The decentralized nature of this financial market place allows as well to provide the same services worldwide regardless of the richness of the country or the individual. It is not a matter of who you are but what you do and the way you do it. Once connected to electricity and internet, it would allow to create and bring wealth to remote countries and provides the same chance to strive to anyone around the world willing to have a positive impact.

By uniting the global governance under the redistributive glance of a BoSC and by defining the circumscription of the monopoly, we can re-organize our economy, not around markets, but around visions: An ensemble of market reunited under values.

2. DECISION-MAKING CAPACITY.

To tackle the currents and coming challenges humankind is facing, the global community must be able to both take and apply decision in an efficient manner. By pushing through our economy toward a more collaborative model, we make the decision-making process accessible to anyone. In a Coliberal system, the decision-making capacity does not belong to just the governance in power but to anyone recognizing an issue as such. Action are taken, not because someone asked too, but because the situation present a real necessity.

People within a BoSC ecosystem are empowered around the respect of the core-values of the institution. As power and decision making is decentralized, anyone can have a direct influence on the reality of a challenge. If the solution to provide is coherent with the core values, the global community will be incentivized to co-create a solution, rewarded with Virtuous Currency.

The solution for an issue can come from anywhere in the world, carried by a project holder and co-created by the community. If there is a crisis surging in a BoSC ecosystem, the value associated to the core-values helping to solve this issue can be increased to incentivise the finding of solutions. Because donations are made necessary to access funds, people will earn a lot of virtuous currency to fund the pressing issues, fulfilling two out of three variables in the same time while participating in the solution.

Individuals and organisations are given the financial and social support to participate in the project solution within their own scale and ambition. This system insures urgent causes to be addressed in the briefest delay. Consequently,



it becomes harder for political parties or other organized forces to exercise their veto as the general community is empowered to take action and the action does not depend on a political authorization but on private empowered and decentralized initiatives.

3. EFFECTIVENESS.

The model is based on the concept of capital, and, in particular social capital, which is one of the most effective and powerful of all economic and social forces. The aim of the new institution is simply to impose an ethical control, through crowd wisdom, to better harness this enormous potential.

To ensure the capacity of the model to handle the challenges we are facing, we are making the system more resilient to adversity. What makes such a model effective is its nature. Because crowdsourced, the process of developing, implementing and supporting decisions is open to anyone. If dynamic enough, the community could handle project and global challenges faster than any individual or isolated organisation.

Project holders are empowered and problem solvers incentivized with the social and financial support of the entire institution. More decentralized action and empowered people mean more capabilities and individual initiatives.

The more urgent the issue, the more valued the contribution that helps tackling them. Rising awareness, enhancing donation and encouraging scientific communities to take part of the solutions, all those actions can be done at no financial cost in a speed never obtained before thanks to the crowdsourced and rewarded contributions.

Because donations are made necessary to access funds, people will earn a lot of virtuous currency to fund the pressing issues, fulfilling two out of three variables while participating in the solution. By not relying on debt but on donation, anyone consuming within this ecosystem participates directly or not to a positive impact within the economy.

The last variable (online specification of the project) helps to guarantee the effectiveness of the decision. To access the funds, the specifications must be reviewed. The project is verified by the crowd and made sure that the specification follows the endeavour of the project. For the most important project and as part of the budget, talents can be hired internally to ensure the project to be well implemented.

4. RESOURCES AND FINANCING.

A lot has been said in section 2 about the donation and the issuing of the virtuous money, as the main sources of funds. This section is focused on other sources of funding.

The main cost for this model comes from the technological and human resources required to run such an institution. Additionally, there is a high cost of research and development that must be deployed at the initial stage. Once we found the winning combination in terms of technology, organisation and design, the structure can be open-sourced under a Creative Commons or a convention and the cost of creating and running a BoSC will greatly diminish. Being a bank, the financing of these expenditures is, of course, BoSC's own responsibility. As dealing with funds,



data and values, there are many powerful ways a BoSC can extract some of the value it creates:

COMMISSION ON TRANSACTION

Just as Amazon takes a small commission from the seller on any transaction, enterprises who make a sale through the BoSC would have to give away part of this profit.

COMMISSION ON SUCCESSFUL FUNDING

This is a commission on the final funding of the project. That is the current revenue stream of approximately 90% of existing crowdfunding platforms. Once the project is funded, a rate between 2 and 10% is charged from the total amount of funds raised.

VIRTUOUS POINTS BOUGHT BY ENTERPRISES

Although the model was thought for individuals, as subjects with Social Capital, companies are also ethical institutions, and so the BoSC should involve them. For an obvious question of fairness, it is not conceivable that an enterprise accesses this supportive network in the same “unlimited” way as individuals have, as it could be used for dishonest competition. One way to involve firms is to have a monthly subscription, or the purchase of Virtuous Points could give enterprises access to the support of the community.

CONSULTING HELP PACKAGES

As it's a new system which could be considered complex, people or companies may need help to optimize the attribution of their resources. While a part of this help can and should be provided by the community, specific packages delivered by the BoSC such as financial arrangements or marketing advice could speed up access to the funds. The BoSC could help communities better attribute their investment, better formulate their needs and as such improve the overall development of the project.

IMPACT INVESTMENT FUNDS

As the BoSC has a lot to bring to social ventures, this institution also enjoys a strategic position around impact investment. Proposing solutions such as the creation of a fund of impact investment specifically related to the community would allow BoSC contributors to put their savings into projects that have a high return on virtuous grade, a social impact and potentially a direct personal benefit.

All these methods can be considered desirable, but it is important to understand that the BoSC is a redistributive glance. The only way to ensure sustainability is by redistributing most of the wealth created. Keeping too much value would only weaken the BoSC and diminish its long-term success. The more wealth gets reinjected into the system, the more the continuous flow of project's funding participates to create a never ending virtuous circle.

5. TRUST AND INSIGHT.

Trust and insight are at the very core of crowd wisdom, which is the main element of the model of BoSC.

BoSC is in charge of issuing a virtuous currency, based on each individual point of view. Issuing a trustable currency implies a recognized organisation people



can believe and trust. This can be obtained through the collaboration of other institutions interested in social issues, such as governments, foundations and NGOs that would bring social and financial guarantee to BoSC and its future community.

Beside relying on others, BoSC to be credible, provides considerable insights into the direction of the model. The democratic way to estimate the values provide a direct access from the community to the general decision of the institution. Its protective technology called Blockchain is already starting to gain visibility and credibility from the global community. Used to decentralize and secure transactions, this technology ensures a participating transparency, traceability and security for the entire ecosystem.

Beyond this powerful technology, the system is reliable because democratic and inclusive by nature. As everyone is asked what his or her opinion or feedback is, we are not passively taking part of an uncontrolled system but participating into shaping the general decision-making process.

A main element of trust is ensuring fairness and therefore acceptability in the virtuous currency. This currency, based on subjective estimation represents a complex process engaging different features and variables. The BoSC being the only organisation empowered to distribute it, contribution must be rewarded fairly and coherently with the action undertaken. As the outcome of an action change over time, being flexible in the reward is key.

Because slightly more complex than the current capitalistic one, trust is the real currency this institution is dealing with. For the transition to occur, we need a general understanding from the global community.

6. FLEXIBILITY.

Within this system, flexibility is made possible thanks to the use of crowd wisdom and the virtuous currency. This currency reward contributions in regards of the different virtues taken into consideration. The values of these virtues are estimations and tendencies, based on the record of constant feedbacks. There are not absolute values which make the reward of action always contestable and relative. That means that, by nature, the weights assigned to each of our values are flexible and open to adjustment. The more urgent the issue, the more are valued the contribution that help tackling them. Because the number of value associated to the virtuous currency is on the paper unlimited, we can always add variables to be closer from the truth.

More than showing flexibility in its currency, the institution thanks to its structure, is greatly resilient. With its flat organisation and meritocratic leadership, this innovative structure facilitates creative thinking and promote collaboration internally. The decentralized coverage allows collective action to occur faster and member to participate to the development of the platform. They can decide which project to support. and create abundance through reciprocal donation.

7. PROTECTION AGAINST THE ABUSE OF POWER.

The structure of BoSC, in particular its use of crowd wisdom, generates strong protection against abuse of power. At the institutional level, to protect all BoSC against the Abuse of Power internally or not, a supra-institution such as a central



BoSC would allow to better enforce law and regulation, limiting anyone else interfering with their activities. Rather it verifies transaction or enforce laws and decisions, the central BoSC main mission is to enhance collaboration and interdependence between BoSC. As consequence, corruption and abuse of power is severely be punished as it goes against collaborative values.

Another aspect of the system is that the ranking that give access to the funds is establish with respect to the three variables. While we can't force toward which projects help goes, when it comes to donation, the conclusion is different. The clear majority of the money you give goes to the global funds, the same funds that finance the first ranked. That means the donations made go directly to the project that deserve it more.

Having ethics at the core of BoSC, mechanisms should be put in place to vet all donations, in order to eliminate the possibility of its use by criminal organizations or organized crime to lauder dirty money.

As a preventive measure, the department could apply negative coefficient to project holder not respectful of the charts. In case reported repeatedly of doing something wrong, decisions can be taken against the project or project holder.

Anyone going against the values put in place by the community could see the capitals of virtuous money and account frozen. The loss of a part or the totality of the savings could dissuade the people to behave unethically.

8. ACCOUNTABILITY.

The purpose of the BoSC is to issue and regulate the virtuous currency of its industry. To keep the institutions accountable, the Central BoSC can intervein to enforced rules and adjustment. The supra-BoSC ensure as well that any BoSC are being created on signed convention and effective frameworks. The easiest way is to make sure each BoSC founders are all legitimate. Conventions and contracts on honour can be made mandatory. Because each industry has its own need and specificity, some existing organizations play a major role in the development of a legitimate market. By composing the director boards of experts and key player of the fields, knowledge and understanding of the current needs of the industry can be displayed which would bring BoSC ahead in term of problematic related to it.

As the second variable of the system – specification of the project – implies it, an online recording of the requirement and cost of the project is kept semi-publicly. If something goes wrong, everyone within the circumscription of the BoSC has the possibility to track the records and identify who or what provoked what went wrong. So not only the decision maker will be hold accountable but as well the people providing the help or fund. As everything is tracked and identifiable online, more transparency and accountability is made possible. That is the power of the online specification. It makes the system attractive in term of transparency and make project holders accountable for their progeniture. That means the decision makers are accountable for their actions and the BoSC keep the right, until the project is entirely validated by the rest of the community, to provide the funds to the project holder.