

Viral Community Enterprises



In previous versions of [AFFEERCE](#), the [viral community](#) was everything. It was the tool to create sufficient land value to kickstart the [commons trust](#) into transforming the world.

Now we know this isn't necessary. Creating the [VIP\\$](#) for purchase of land into the commons trust creates these megacities solely through market mechanisms, with no intervention needed.

Still, an entrepreneur, a worker's collective, or an existing intentional community could adopt some or all of the viral community techniques to speed up the day of the first [federation](#) and make a handsome profit in the process.

The fundamental principle of the viral community is to purchase land, drive up its value, and then sell the land into the commons trust. All the tricks for doing this are based on David Ricardo's [law of rent](#). Primarily, this involves exploiting the labor of landlords to drive up their own land value.

The best cookbook for a viral community is still [AFFEERCE 4.1 – The Plan](#). This was written back when there was still some coercion in later phases and when monetary theory of the VIP\$ was not as well understood. However, Phase I of the viral community, the majority of the book, has withstood the test of time.

If viral communities prove popular, the [ABC](#) might provide consulting, particularly in the area of legal and financial services, including contracts, leases and prospectuses.

A Quick Introduction to Viral Community Theory

Standard Land Trust

In most intentional communities, land is owned by a land trust. The same is true for a viral community. Investors invest in the trust, which then uses the proceeds to purchase land.

The land is rented out to the highest bidder. The rents are used to pay the county a prearranged rent in lieu of property taxes. What remains is reinvested in the land trust, which uses the new money to buy more land.

In a standard land trust, there is very little dynamic toward increasing land value. The investors want it, but community members usually don't. Remember that land value is a simple multiple of the ground rent bid on new land.

Beyond dedication by those who set up the land trust, and the wishes of investors, there is no reason why ground rents should increase faster than rents in efficient and high-tech cities. Rather than the community having a greater and greater percentage of the nation's land value, it will have a smaller percentage over time.

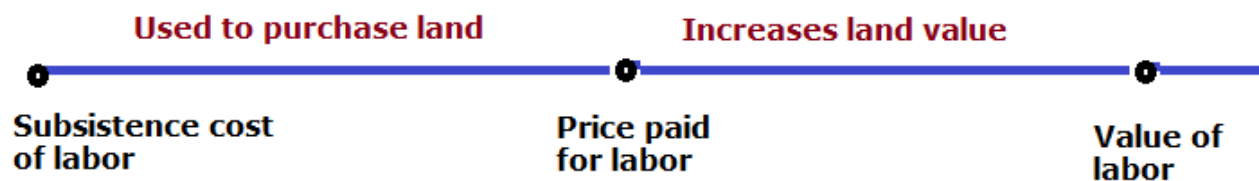
Landlord-Working Class

The most important feature that differentiates a viral community from a standard land trust is the landlord-working class. In the AFFEERCE plan, they are called the Affeercianados. This is a pure play on the law of rent. It is a self-defense maneuver that takes all of mankind's desire for wealth and converts that desire into viral community land value.

The business plan stipulates that 50% percent of any investment in the land trust is donated to the Affeercianados.

In exchange, it is stipulated that 5% of all subsequent Affeercianado land trust contributions will be donated to the investors. This works to the investor's advantage as it not only provides a strong catalyst for increasing land value, but also increases investor share of total land owned.

The power of the Affeercianado comes from their labor. There are three critical points on a graph of labor compensation. Lowest is the subsistence cost of labor, next is the price paid for labor, and at the top is the value of labor. Although anomalies occur where the three points fall in a different order, these anomalies are rare and quickly corrected by the market.



A market will tend to pull all three points close together, but that is unimportant, because the viral community is not a market, but collusion. It is the goal of the Affeercianados to keep these three points as far apart as possible. Since they are the laborers, they can do that.

The subsistence cost to maintain an Affeercianado should be as low as possible, the value of their labor as high as possible, and the price paid for their labor somewhere right in the middle.

The difference between the price paid for labor and the subsistence cost of labor is all used to purchase more land in the name of the Affeercianados. On the other hand, the difference between the value of labor and the price paid for labor increases the land value of both Affeercianado and investor land by the law of rent.

With the Affeercianados owning 50% of the land at the start, they share the investor goal of increasing land value, rather than rushing to purchase more land. A rapid increase in land value is tinder for the early viral community.

Accumulating a large buffer of undeveloped land is necessary, but it can be done at a more relaxed pace, like the gathering of logs to feed a burning fire. By the end of 20 years, the Affeercianados will have purchased enough land to own over 94% of the trust anyway.

If the Affeercianados own 94% of the trust, they own 94% of the developed land and 94% of the undeveloped land. Ownership is time weighted, but it is not associated with specific parcels.

How is land value rapidly increased? The business owner profits from the difference between the value of labor and the price paid for labor. Usually, these profits are lost to an increase in rent.

However, the ground rent bid by tenants on auctioned land is frozen until a year before the land is sold into the commons trust. This imputed rent is then retained by the business owner as profit. Not only does this lead to a higher bid for ground rent to begin with, but the actual retention of surplus labor profits by businesses will raise land value and produce even higher bids in subsequent auctions.

The Affeercianados as a group profit from the difference between the price paid for labor and the subsistence cost of labor. Generally, this money is turned over to the trust for more land purchases in the name of the Affeercianados.

But the best bang for the buck in early years comes from increasing land value. The money is used for infrastructure and exceptional public services, driving up future bids at auction.

It is in the interest of the Affeercianados to attract industry to the viral community. This leads to a virtuous cycle that increases both the percentage of land owned by the Affeercianados and the value of that land. The price paid for labor is optimally centered between the subsistence cost of labor and the value of labor to maximize business profits, land value, and land holdings.

To keep the price of labor at the optimal point, the supply of Affeercianados on the market must vary based on demand. Unlike with ordinary workers, this is not a problem when idle Affeercianados can increase land value through public service.

In addition to being bid out on jobs, the Affeercianados build their own housing, have their own businesses, and fill public service jobs in such areas as police, firefighting, streets, sanitation, and education. There is always a long list of projects to increase land value during slow periods. Many of these projects are features of viral community theory itself and will be discussed later.

When demand from business is great, new Affeercianados are brought on board, even to the point of overcrowding dormitories and prefabricated housing. When demand slows, new dorms can be built. Demand is further controlled by limiting the amount of land auctioned.



Benefits of Being an Affeercianado

Free dormitory living **1 land credit per hour worked**
24 hour buffet **Free medical coverage** **Camaraderie**
Free education **Luxury dorm amenities** **Political power**
Serve the people **Save the world**
Huge payout in 20 years based on land credits earned!

Minimizing Subsistence Costs

The Affeercianados live collectively to maximize economies of scale. With dormitories that include a 24-hour buffet, gym, swimming pool, steam, and sauna, the cost is less than \$600 per month.

Including free medical care, liability, Social Security and Medicare payroll taxes, and \$25/week in salary, the monthly cost of an Affeercianado is \$946 (2016 dollars). Bid out at \$9/hour for 172 hours per month (40-hour week) brings net revenue of \$1,548 or \$602 per month profit for new land purchases.

Affeercianados who are not enrolled in classes are expected to put in an additional 12 – 20 hours per week in overtime at an overtime average bid rate of \$13/hour. At the low end, this is an additional \$670, which is all profit.

Thus, the average Affeercianado who spends their entire time bid out to business will bring in \$1,272 for new land purchases every month. Two thousand Affeercianados bid out to business will likely produce profits exceeding the original land purchase in a year’s time, increasing Affeercianado ownership of the trust.

Value of Labor

It is the goal of the viral community to recruit skilled Affeercianados, who are medical professionals, educators, experts in the building trades, public safety, software, engineering, urban planning, and other skills demanded by businesses and residents.

However, even good household cleaning help or nanny services have a value of \$15 to \$20/hour. And this bid is for “agency” help, where all tax-related responsibility is assumed by the agency.

Software and engineering temps can have a value of \$50/hour. Massive increases in land value (rent businesses are willing to pay) occur if they are able to get these workers at \$9/hour. The goal is to maximize profit in tenant industries to drive up rents. In the table below, the average value of labor is conservatively assumed to be \$20/hour.

Desired Labor Parameters	Parameter/Hour	Land purchased	Increased Land Value
Subsistence cost of labor (40-hour week)	\$5.50/hour		
Average value of labor	\$20.00/hour		
Average price paid for labor	\$9.00/hour	\$3.50/hour	\$11.00/hour
Overtime price paid for labor	\$13.00/hour	\$13.00/hour	\$7.00/hour

Although the subsistence salary is the same for all Affeercianados, 1 land credit is received for every hour worked. An Affeercianado who puts in 60 hours work in a week will earn 60 land credits, while an Affeercianado bedridden with an illness will receive no land credits at all during their illness.

If there are an insufficient number of Affeercianados available for bid to keep average price paid for labor at or below \$9/hour, other projects must be halted and the amount of land put up for bid at the land auctions must be reduced until equilibrium is reached.

The success of the viral community is directly correlated with the number of Affeercianados, which is a function of the rate of building Affeercianado housing, the success of the land auctions, and the recruiting effort. It is expected that success will depend on achieving sufficient numbers of Affeercianados.

While saving the world might appeal to some young idealists, this will typically be insufficient motivation to dedicate up to 20 years of one's life to unremunerated, potentially harsh working conditions, 24-hour buffet notwithstanding.

The primary tool of recruitment is the payoff after 20 years based on land credits earned. These payoffs will be huge. The ABC pays full property value for land purchased into the commons trust. Not only will the Affeercianados and investors receive 20x ground rent, the owners of structures will receive the depreciated replacement cost.

This includes Affeercianado housing, hospital, and university. Cellular government will receive the full depreciated replacement cost of roads, bridges, and city hall. Utilities will receive the full depreciated replacement cost for the grid and sub-grids. Most importantly, businesses will receive the full depreciated replacement costs for their structures and employees for their homes. Rents will be driven sky-high once the reality of this sets in.

A proposed business plan with all the Ricardian tricks is found in [AFFEERCE 4.1 - The Plan](#). It simply needs to be adapted to AFFEERCE version 6.0 and the new ideas of those who start such a venture.