

Viral Community Enterprises



In earlier versions of [AFFEERCE](#), the [viral community](#) was everything. It was the tool for creating sufficient land value to kickstart the commons trust and transform the world.

Now, we know this is not necessary. Creating the [Elsies](#) for property purchase 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 the viral community techniques to speed up the day of the first [federation](#) and make a handsome profit.

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 landlords' labor to increase their 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 the monetary theory of the Elsie was not as well understood. However, Phase I of the viral community has withstood the test of time.

If viral communities prove popular, the [ABC](#) might provide consulting, particularly in 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, using the proceeds to purchase property.

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

In a standard land trust, there is very little dynamic toward increasing land value. The investors want it, but community members usually do not. 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 ground rents should increase faster than rents within 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.

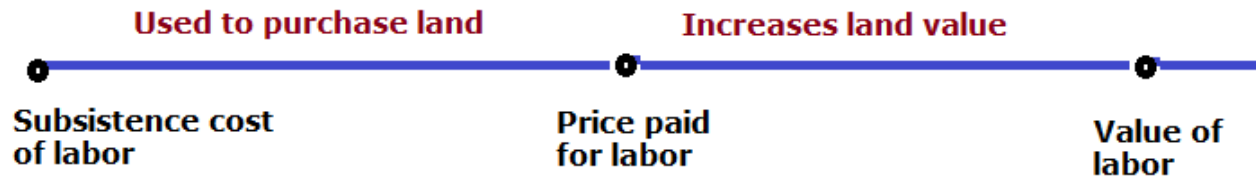
Landlord-Working Class

The landlord-working class is essential to differentiating a viral community from a standard land trust. 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 humanity’s desire for wealth and converts it 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 provides a strong catalyst for increasing land value and increases the investor's 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. The 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 a 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 should be as high as possible, and the price paid for their work should be 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 property 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 property 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 fuels the early viral community.

Accumulating a large buffer of undeveloped land is necessary, but it can be done more flexibly, like gathering logs to feed a burning fire. By the end of 20 years, the Affeercianados will have purchased enough property 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 has 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 due to a rent increase.

However, the ground rent bid by tenants on auctioned property is frozen until a year before the land is sold into the commons trust. The business owner then retains this imputed rent as profit. Not only does this lead to a higher bid for ground rent, but businesses' actual retention of surplus labor profits will raise the 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 the percentage of property 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 property holdings.

To keep the price of labor at the optimal point, the supply of Affeercianados on the market must vary based on demand. Unlike 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 housing, own businesses, and fill public service jobs in areas such 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 high, 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 profit for new land purchases.

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

Thus, the average Affeercianado who spends their entire time being 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 property purchase in a year, increasing Affeercianados' ownership of the trust.

Value of Labor

The goal of the viral community is to recruit skilled Affeercianados, who are medical professionals, educators, and 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 the agency assumes all tax-related responsibility.

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 can 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, one land credit is received for every hour worked. An Affeercianado who puts in 60 hours of work a week will earn 60 land credits, while an Affeercianado bedridden with an illness will receive no land credits during their absence.

Suppose there is an insufficient number of Affeercianados available for bid to keep the average price paid for labor at or below \$9/hour. In that case, 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 enough Affeercianados.

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

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

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

Once sold into the commons trust, the viral community will typically qualify as a Phase II community. Every person will be eligible for the Earth Dividend!

A proposed business plan with all the Ricardian tricks is found in [AFFEERCE 4.1 - The Plan](#). It must be adapted to AFFEERCE version 7.0 and the new ideas of those who start such a venture.