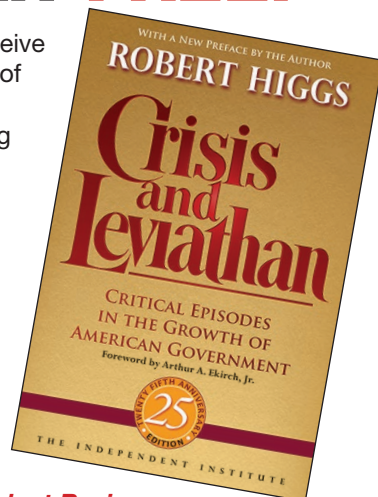


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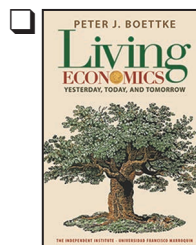
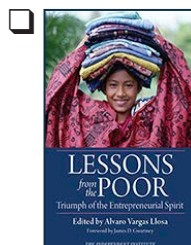
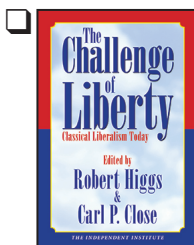
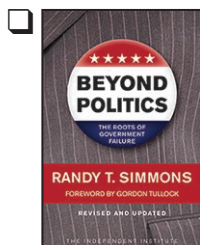


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# The Quickening of Social Evolution

## Perspectives on Proprietary (Entrepreneurial) Communities



SPENCER H. MACCALLUM

**Y**ears ago I read a translation, supposedly true, of a very early Egyptian sequence of hieroglyphs that said in effect that the world was going to the dogs. After listing a number of lamentations, including the disobedience of young people and how they no longer respected their elders, it ended with the observation that “everybody’s trying to write a book.”

So it always seems to every generation that the world is disintegrating. There’s a good reason it should appear that way, a very understandable reason. The world is in flux, with new forms always evolving out of the old. We are familiar with the old patterns because we have lived them, but not with the new, emerging ones, because they have never been part of our experience. Consequently we rarely recognize the new patterns that are in process of forming. Knowing only the patterns that were, all we see in change is dis-

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integration—patterns being lost. This is particularly easy to see in language, in the losing efforts of pedagogues to train the young to speak “grammatically.” But the same phenomenon occurs in all areas of our experience. So the disintegration lamented by the early Egyptians and probably every generation before and after is, for the most part, appearance only. It could just as well be called integration rather than disintegration, except that we don’t have the evidence before our eyes. We must take it on faith.

The same is true of societal change—the broad sweep of human social evolution. Only evolutionary change isn’t gradual but seems to be punctuated by abrupt shifts from one plane of comparatively stable forms to the next—always building on what went before. It’s like a stair consisting of treads and risers. The treads are long eras of comparatively stable institutions, whereas the risers are periods of turbulent change and instability that must be negotiated before the next broad tread is reached, just as the spawning salmon must negotiate the steep rapid or rocky waterfall before reaching the next comparatively calm stretch of river. The salmon leaps and falls back, leaps and falls back, but each time it progresses farther and falls back not quite as much, until it negotiates the waterfall.

Mankind has been negotiating a waterfall for at least nine thousand years—an exceedingly brief period in the eons that man has occupied the earth. His leaping and falling back again is the all-too-familiar pattern recounted in history textbooks, the seemingly endless rise and fall of civilizations.

The previous broad tread on the stair, the calm stretch of water we have now pretty much left behind us, was that of tribalism, characterized by dependence on systems of kinship status for sorting out all the customary roles and activities in society. Now relying less on kinship, humankind is experimenting with a wide assortment of contractual relations. Sir Henry Sumner Maine was sound when he observed more than a hundred years ago in his classic study, *Ancient Law*, “We may say that the movement of the progressive societies has hitherto been a movement from status to contract” ([1861] 1986, 141).

I believe we salmon have now reached the point where, as we leap, we can just begin to see over the top of the falls or rapids to the next calm stretch in our river. We can just begin to discern and make some judgments about what the nature of human society will be as it stabilizes once again on the next broad tread of evolution. I’m going to take the risk—I don’t think it’s a very great one—of making some predictions about human society as it settles into comparatively smooth swimming in the twenty-first century—and probably for quite some time beyond.

## Tribalism versus Today's Nation-States

Consider first where we've been. As an anthropologist, I've focused a good deal of my attention on tribal societies. In many ways the era of tribalism, as compared with today's world, was a golden age, to be exceeded only by what is yet in store for us. Tribal life, however, left much to be desired. Tribal man's technological proficiency was so limited that he was constantly at the mercy of nature. This limitation was particularly serious with regard to health; general life expectancy of less than thirty years barely permitted biological replacement. A second grave shortcoming under tribalism was that human social life coalesced, as it were, in antagonistic droplets scattered over the globe with little communication or cooperation between members of one and those of another. Opportunities were essentially limited to the circle of face-to-face acquaintances into which one was born.

Notwithstanding such serious drawbacks, tribal society had a positive side. Within each of those antagonistic droplets, social relations had an orderliness and sense of fair play almost incomprehensible to us today. Society consisted of small management units, quite human in scale, and relations among the members (at least among the men) tended strongly to be egalitarian, fair, and just. The headman of a village, for example, though he usually enjoyed more influence and prestige, exercised no authority over the person or property of anyone else in the village. He had the same authority in kind as that exercised by the humblest member. There was no conscription of persons, no taxation. Tribal society was consistent in this respect throughout. Freedom in the juridical sense is this: when one enjoys full integrity of his person and property, he is said to be free. Tribal society was free.

Let me tack a caveat onto that generalization. It doesn't include transitional forms on the boundary between tribes and states. When tribes cross that boundary and become states, they may retain many of their tribal characteristics for a long time. We know we're dealing with a state, however, when force has become institutionalized and is accepted as proper conduct within the group. In *The Art of Community*, I described the example of the Cherokee in 1761 forming themselves into a state (1970, 98-99). The moment of transition was definite, although many tribal characteristics persist to this day. The Cherokee fell within our generalization before 1761, but not after.

Modern society under the rule of political governments presents the reverse image of tribal society. Imagine humankind as a bird attempting to fly. Whereas under tribalism one of its great wings dragged on the ground, preventing it from rising into flight, now that great wing is up and the other drags. In science and technology we've made enormous gains; we've more

than doubled our average life expectancy within a few generations and may do so again. We can seek opportunities for fruitful communication and exchange with other human beings virtually anywhere on the earth. That much is progress. But in our political life we have regressed. For example, 268 million people in the United States are ruled monolithically from the top, and their chief executive, a warrior (commander-in-chief of the armed forces), regularly exercises an authority that differs absolutely in kind from that exercised by private citizens in their day-to-day affairs. People have become ciphers, their individuality erased; our gains, even in science and technology, are endangered by the uncontrolled—and apparently uncontrollable—growth and spread of naked force.

The prospect of life under the rule of the nation-state is bleak indeed if seen only from the viewpoint of the disintegration of the institutions and lifeways we grew up with and know from our grandparents' accounts and from reading. But change, as I have noted, characteristically occurs not only from but toward. It has two modes, one quite invisible almost until we bump up against it. Patterns newly forming are not encompassed within our experience; hence we see only the disintegration that change brings. What of the future? Will human society ever get both wings aloft at the same time?

Past experience should reassure us that in the broad picture, at least, change is more integrative than disintegrative. This tendency is demonstrable, for in the long run if health were not more catching than disease—to use a homey phrase of my grandfather's—none of us would be here today. But happily we salmon have reached a point, almost at the top of our rocky waterfall, where we need not rely on philosophic conjecture alone. In our mind's eye, at least, we can begin to see over the top of the falls, and with that glimpse of the future we can begin to recognize and relate events happening all around us. We can begin to perceive fundamental evolutionary changes taking place in the structure and function of our social organization, changes so imminent that I predict we will soon bump against them.

## The Change That Is Gathering Speed

How can such change be happening? Let's review some basics. Certainly one of the most significant differences between tribalism and modern society is man's vastly greater facility with numbers. The ability to manipulate numbers makes possible on the one hand the whole world of science and its applications and, on the other hand, that of commerce—both utterly strange worlds to tribal man. Facility with numbers is not by itself a sufficient cause, but it is prerequisite. Without it there could be no science or commerce; with it, given the right conditions, science and commerce will

evolve. Science becomes possible because at bottom it involves comparisons of quantities, and every ratio is a number—hence the rationality of science. Likewise, commerce becomes possible, because it depends on numerical pricing and accountancy of debt, credit, inventory, and trades. Change in pricing coordinates the whole world of economic activity.

Science is not my focus here; it's not the dragging wing. The dragging wing is our interpersonal relations, and a fundamental part of those relations—the healing and growing part—is commerce. Do you remember the passage from the Psalm about how the stone that the builders rejected became the chief cornerstone? Commerce is that cornerstone. We appreciate it far too little, and we depreciate it far too much. Alfred North Whitehead once characterized civilization as the “victory of persuasion over force.” He elaborated, saying “Commerce is the great example of intercourse in the way of persuasion. War, slavery, and government compulsion exemplify the reign of force” ([1933] 1967, 83).

Commerce developed as people learned to balance their accounts numerically, making it possible to do business with strangers—people of another lineage, clan, or village. Without numbers, which make it possible for every transaction to be balanced and complete, something is always left over on one side or the other. When dealing with familiars (the language under tribalism, incidentally, is that of gifting rather than buying and selling), that imbalance doesn't matter; over a lifetime or some similarly extended period of reciprocating it all evens out. With accountancy, however, every transaction can be complete in itself, and the parties can depart satisfied without any expectation of seeing each other again, necessarily. So for the first time we can do business with people we don't know. This capability dissolves the surface tension of the antagonistic droplets of tribal society and makes possible the worldwide system of reciprocal services that today gives us our very comfortable standard of living.

My interest here is not just commerce in any of the usual array of things we find in the market, but specifically commerce in land. We're all familiar with the growth of other kinds of commerce, but commerce in land has lagged behind in its development. One of the reasons for its lagging, perhaps, is that in Europe before the revolutions of the eighteenth century, land wasn't free to any great extent—at least not generally so—to become the object of commerce. It couldn't readily be bought and sold in the marketplace. That situation changed only when the revolutions brought about a separation of land and state. This change is not remarked upon in the history books, but it is arguably one of the most important events of modern times. Until it happened, land in western Europe was not free to be traded as other things were but was tied up in primogeniture and entail and was part of the administration of government. Only when the revolutions that

swept through Europe divested the titled nobility of their political power and trappings without divesting them of their land could land become a commodity like other things.

The titled nobility as a class tended not to be entrepreneurial; they had previously been the government, and their ethic militated against their dirtying their hands with trade. (In her recent book, *Systems for Survival* [1992], Jane Jacobs clarifies beautifully why this ethic prevailed.) So commerce in land, a truly businesslike approach to land ownership, got off to a late start, and a slow start at that. Even today the vast majority of landlords carry on their business as a sideline to supplement, say, a pension or other retirement income and have little understanding of the business they are in.

### The Business Rationale of Land Ownership

The business rationale of land ownership, as explained by Spencer Heath (1936), derives from the fact that public services—the things that we enjoy in common rather than separately and apart from one another, things such as streets, public safety, and other community amenities—are supplied to sites rather than to individuals, and individuals gain access to them through their occupancy of those sites. Thus owners of land, when they lease or sell sites, are the market purveyors of those public services. Only thus can such services be distributed as other goods and services are, through the conventions of the market place. Only through property in land can they be freely and equitably administered by contract, which is egalitarian in the free tradition of tribalism, instead of through favor and privilege, forced levies, the corrosive status relationship of ruler and ruled by whatever name.

This purely distributive function is the land owner's minimal role in society, for which he is recompensed minimally in either land price or rent. Traditionally landowners have done little more. In the entrepreneurial community, however, they are going beyond that minimal distributive function; here they produce the services they purvey, and their rewards are correspondingly greater.

Ground rents, then, represent the going market value of community services and amenities. But the owners of entrepreneurial communities are more than just passive recipients benefiting speculatively from such land values as may haphazardly arise, however important to society that distributive function may be. These owners are systematically generating land value by employing their land as productive capital.

For a model of how this contractual provision of public services even now is occurring, look at the shopping mall in its internal organization as a community of landlord and merchant tenants. The mall or, for that matter, any of the many kinds of multitenant income property in real estate, is

smaller and more specialized than most of the communities we frequent, but it is a community nonetheless. It is divided into private and common areas, and the members have a clear arrangement for providing common security, utilities, planning and maintenance of the common areas, and other functions its continuity requires. Yet all of this provision is accomplished though a complex web of contracts without taxation or legislation. It is spontaneous order, arising out of voluntary relationships among the parties themselves.

The rationale for this spontaneous order is as follows: The proprietor of that place invests in improving it in ways that create an attractive human environment for people to transact their affairs. To the extent he succeeds, and no more, those finding it attractive will competitively bid up rents among themselves for the privilege of locating there. These rents, in turn, finance the public services in that place. Because such communities yield a revenue, they are self-sustaining; they need never become obsolete, like the ruins of Nineveh and Tyre. Because they produce income, someone is both willing and able to maintain them, to renovate them when necessary and even rebuild them to keep them competitive.

These proprietary communities, so called because they are freely offered in the marketplace by the organized owners of the underlying ground, are newcomers in the evolving world of business. Also called entrepreneurial communities, or "entrecoms," they appear in a thinner slice of recorded history, even, than recorded history represents of the total period of humankind's life on earth. They evolved a bit in the nineteenth century in a rudimentary way, as I've described in *The Art of Community*, but they began to blossom only in the twentieth century. Albeit still small and specialized, these multiple-tenant income properties are appearing as shopping centers; landlease communities of manufactured housing that have metamorphosed from mobile home parks; hotels and motels, some of which today, like the Ambassador City Jomtien in Thailand or Las Vegas' MGM Grand, accommodate more than 10,000 guests; marinas; office and research parks; medical clinics; large residential apartment developments; and combinations of all of these forms. The combinations are particularly significant because they represent departures from special-purpose in the direction of fully generalized communities.

Note that entrecoms include neither condominiums nor their close cousins, subdivisions with homeowners' associations, but consist exclusively of communities in which title to the underlying realty is kept intact and parceling is accomplished by renting or leasing.

The rapidity of this development is astounding. Consider the shopping center. Fifty years ago it was experimental; fewer than a dozen existed in the United States, and even the name had yet to be coined. Today there are over 40,000. Moreover, each now supplies for its tenants a significant por-



tion of the community services formerly provided exclusively by local governments, services such as paving, streets, sewerage, parking, and security.

### Theorists of Proprietary Community: Henry George, Ebenezer Howard, Spencer Heath

There is scarcely any theory to explain or support the proliferation of proprietary communities. Such theory as exists was developed over the last century by people outside of academia whose work and writing are little remembered: Henry George, the toast of the world in his day but now largely forgotten, died in 1897; Ebenezer Howard died in 1928; Spencer Heath in 1963.

Henry George, a truly remarkable economist, political scientist, and orator, made a major contribution at the end of the last century. He had distinguished predecessors, including among others William Ogilvie, Thomas Spence, Patrick Edward Dove, and the early Herbert Spencer (see Ogilvie [1782] 1970, Spence [1775] 1920, Dove [1850] 1910, and Spencer [1851] 1969). But none approached the forcefulness with which he publicized the idea that ground rents—revenues from land—constitute a “naturally ordained” fund for financing all public services. Unfortunately, the method he envisioned for applying the principle was for government to collect those rents, leaving the landowners out of the picture. Hence Georgist communities in theory would not have been proprietary nor in any sense competitive or entrepreneurial. His reliance on the coercive powers of government—his “going political”—probably accounts as much as any other single thing for his land argument having fallen into obscurity. Fred Foldvary’s recent book, *Public Goods and Private Communities: The Market Provision of Social Services*, has only now, a century after George’s death in 1897, begun to reintroduce into academic and public discussion the notion of funding public services with land rents.

Like Henry George, Ebenezer Howard, a practical and unassuming Englishman, was a social dreamer of extraordinary vision. Despite his modest personal means, he founded England’s Garden City movement and was responsible for the successful development of two entire cities outside London on what had been rural land. Today Letchworth and Welwyn are prosperous cities financed entirely by ground rents, and to my knowledge not a penny of taxation has ever been levied in either. On the contrary, the British Labor government after it had nationalized both following World War II—a private company owning a town being entirely out of line with the political ideology of the time—was embarrassed by the flow of income it found itself receiving. Not being entrepreneurially inclined, it didn’t know what to do with the money. Howard and George didn’t see eye to eye personally. But

Howard, who steered clear of government, considered his wholly nonpolitical “garden cities” the practical application of the Georgist ideal.

Strangely, Ebenezer Howard’s work has fallen even more into eclipse than Henry George’s. His principal innovation, financing the community from private land rents and thereby dispensing altogether with local taxation, has been forgotten in the literature of city planning; his book *Garden Cities of Tomorrow* ([1902] 1965) is one of those pedestaled and unread classics.<sup>1</sup> The purely physical innovations of his cities, on the other hand, such as design and density control, functional zoning, and the greenbelt, are remembered and widely imitated. But what Howard himself considered his lasting contribution to civilization is worse than ignored; it is simply forgotten. It was considered too radical, perhaps, to warrant emulation.

Howard was uncommitted as to whether proprietary communities should be entrepreneurial ventures or, alternatively, nonprofit trusts. But to help secure support and backing, especially from the Fabian Socialists, who, including George Bernard Shaw, were among his foremost boosters, he chose the latter form. His accountant, C. B. Purdom, writing in later years, attributed the slowness of the two cities in getting off the ground and the general lack of vision of their subsequent management to the absence of any provision for equity in the ventures (1949, 345). The resulting mediocrity may explain why the two cities have made little history. They have not done much more than provide an attractive and successful living environment for 80,000 people! As one supporter plaintively wrote

Howard and his associates made one propagandist mistake in siting Letchworth and Welwyn—building them in England within an hour’s journey of London. One should have been built on some remote island like Mauritius, and the other in the Soviet Republic of Uzbuzchakistan. Planners and journalists would then have visited them and written them up, and we should have had lots of illuminating books on them. Also we should be excited about them as wonderful achievements, and be wanting to know why we can’t have new towns of the same type in Dear Old Stick-in-the-Mud England. (Osborne 1946, 36)

Spencer Heath was an engineer, manufacturer, horticulturist, poet, and ultimately philosopher of science and social thinker who did his main work during the years of Roosevelt’s New Deal, an age of ascendant government in America. That he was not an academic and was “politically incorrect” may help explain why his social theories gained little hearing. The turning point

1. The lesser-known first edition, which I prefer, was published in 1898 under the title *Tomorrow: A Peaceful Path to Real Reform*.

in his thinking occurred in the early 1930s, when he concluded that proprietorship was nature's alternative to politics. In 1936 he self-published a monograph titled *Politics versus Proprietorship*. That and his chief published work, *Citadel, Market and Altar* (1957) are now out of print.

Spencer Heath's genius was to see that Henry George's program, which would remove all taxes from private production and finance public services entirely from ground rents (hence the name "Single Tax"), was profoundly in the landowner's interest. For if private production were freed of all taxes and restrictive regulations, productivity and incomes would soar, sites and resources would come into high demand, and rents would rise more than enough to defray the costs of government, leaving a margin of profit to landowners. He believed enlightened real estate interests ultimately would take the lead in removing taxes from private industry and assuming full responsibility for the costs of government. Heath coined the phrase "proprietary community." He completed Howard's concept by providing it with an entrepreneurial engine. By envisioning landowners assuming all the functions of government as we know it, he anticipated the public business becoming private business, a wholly new field for free-market experimentation and investment.

## Foreseeing the Evolved Society

If we paint pictures of the future with a broad-enough brush, we can often cover the entire subject and find ourselves "right on." The more interesting predictions, because more difficult, get into specifics. I'm confident in predicting that proprietary community administration will replace political, and although timing isn't to be construed as part of the prediction, I wouldn't be surprised if it happened within the lifetime of many of us living today. The broad picture I envision—timing aside—is one in which financially self-sustaining communities will have become the norm—entrepreneurial enclaves with leaseholds instead of subdivision lots as the land tenure of choice for commercial and residential uses alike. All taxation and burdensome licensing, regulation, and other restrictions on enterprise will belong to the past. The state will have withered away, to borrow Marx's vivid image, its functions progressively better served in an ever evolving marketplace.

More detailed predictions are apt to carry me onto the shoals. Mindful of the danger, however, I am willing to venture answers to the following frequently asked questions.

### 1. What will happen to national boundaries?

They will become relics of the past, and this outcome is safely within my broad prediction. Should it prove convenient, boundaries between federa-

tions of autonomous communities might arise following natural features such as rivers or mountains or cultural, linguistic or other interfaces.

## 2. Will the communities be all alike?

The variety will far exceed anything seen today, as communities will specialize to appeal to every taste, each discovering its ecological niche in the overall economy. Entrecoms differ greatly even today. Take as a single example the hotel, and count the number of different types. We find resident, resort, transient, “extra-transient” (“hot-pillow”), ethnic, dormitory, casino, budget, and others, with subcategories and hybrids of them all.

## 3. How big will these communities be?

Size will be determined by market considerations. Except for highly transient and some other specialized situations, I suspect that, as in tribal society, “optimal size” for administrative purposes won’t be larger than the largest feasible “face-to-face” community, that is to say, not more than a few thousand persons, in which the manager can recognize members at sight. At successive levels, such entrecoms will cooperate as chain or franchised businesses do today to accomplish functions more effectively handled at higher levels. Customers’ preferences will be the determinant. Some communities will clump up together, resulting in high-density urban aggregations of population, while others will be rural. Inevitably there will be elaborate composites of communities of different types and specialties, smaller ones sublet within the matrix of progressively larger ones—just as different kinds of atoms are mutually attracted to form complex molecules, and those molecules cells, and so forth.

## 4. Will future society be democratic?

The word democracy has two meanings. It can mean individual autonomy where all are equal in their authority over their own persons and property, or it can refer to a political decision-making process in which the outcome is determined by voting. Jonathan Swift is said to have commented on the latter kind of democracy, wryly saying that “some people have no better idea of deciding right from wrong than by counting noses.”

Political voting, though its intent—and very often its effect—is to moderate autocracy, nevertheless entails people ganging up against one another and is altogether different from making decisions based on property rights. Rule by a voting majority can be as oppressive to the losers as the most autocratic regime. In a condominium or any other subdivision in

which the residents have organized to make decisions through voting and thus have departed from purely proprietary processes, therefore, we find the seed of the state. Subdivisions with owners' associations contrast starkly with entrepreneurial communities, and the two ought never be confused.

The homeowners' association is a policing arrangement organized to enforce the restrictive covenants in the deeds. The *entrecom* on the other hand seeks to foster an attractive living environment that will draw new patronage and keep its existing patronage. These goals differ greatly, and the psychology varies accordingly. In the one the residents are quite literally subjects; they are subject to the deed restrictions and must be made to comply. In the other they are customers. The owners' association seeks compliance and must be rigid; the entrepreneur seeks patronage, and therefore must be flexible and accommodating.

Although owners' associations are often called democratic, on the grounds that decision making is accomplished through voting, *entrecoms* are no less democratic, inasmuch as the residents vote each time they pay their ground rent. These usages reflect the two different meanings of the word. Both subdivisions and entrepreneurial communities doubtless will coexist well into the future, and therefore both kinds of democracy. I believe without a doubt, however, that voting democracy will become the exceptional rather than the prevailing form. The reason is not merely that leasehold permits flexible and continuous redevelopment even to the layout of the streets without infringing property rights—a definite advantage in a world of increasing technological change. A more fundamental reason is that leasehold permits the entrepreneurial community to operate for profit whereas the subdivision cannot. This feature affords an important measure of protection against arbitrariness not present in the subdivision arrangement (MacCallum 1996, 18, II.D.6 and footnote 6), and it brings an entrepreneurial dynamic to the provision of public services that is wholly lacking in subdivided communities.

## 5. What about people who prefer subdivision lots to leaseholds?

The idea of owning their own plot of land presently appeals to many people, and where there is a demand, the market usually finds a way to provide. Some communities doubtless will offer approximations to subdivision through the use of long-term leasing, including perpetual leases, paid-up leases, and life estates. But in any case fee-simple properties will probably be available in most parts of the world for as long as anyone cares to look ahead.

## 6. Will this be like feudalism?

Not feudalism, but manorialism; the two are often confused. Manorialism is a form of agrarian social organization, whereas feudalism is a military order imposed on manorialism, often by conquest, which then becomes largely fused with it. Norman feudalism was imposed on manorial England after 1066.

If the question is whether entrecoms resemble manorialism, the answer is yes, essentially. But manorialism, though structured as proprietary communities, could not progress because it was before its time.

Sol Tax, a teacher of mine at the University of Chicago, did fieldwork in the highlands of Guatemala and wrote a book called Penny Capitalism in which he described a system of Indian markets that was purely laissez-faire in the best tradition of Adam Smith and apparently had been since pre-Spanish times. The question he asked was, If these people have such freedom, why aren't they rich? The answer he suggested was that significant wealth creation takes much more than just freedom from constraints. It requires the complex institutional development of a market society. In Guatemalan native society the modern firm had not yet developed, nor had any corresponding productive technology. The unit of production was the family.

The distinction between firm and family is crucial. Firms are impersonal in the sense that they have specialized, well-defined goals, recruit on the basis of ability and experience, and are single-mindedly market oriented. Families, on the other hand, have necessarily complex agendas in which, for example, recreation might rank high. They can neither recruit or fire except in a limited way through marriage or divorce or by recognizing extended family ties. They must accommodate old Aunt Flora and irascible Cousin John.

Manorial arrangements were family ventures and very unbusinesslike from today's perspective. The modern entrepreneurial community can accomplish infinitely more than the medieval manor because of its more evolved nature and because it operates in an altogether different environment, a competitive global economy of specialized firms including interlocking and supportive financial and service institutions of every description. We would make a mistake by attempting to understand the whole of the entrepreneurial community in terms of the medieval manor or the tribal village.

## 7. What will keep the managers of entrcoms from becoming tyrants?

Look around you, and what do you see? If we searched the records of the hundreds of thousands of entrecoms extant today, we might find some horror stories, but they would be exceptional and short lived. Years ago I

conducted a field study of what kinds of dispute situations arise in mobile-home parks and shopping centers and how they are handled (1971). In the course of the study I collected many entertaining case histories, but none was a horror story. The fact is that businesspeople for the most part look out for their customers. That's why they remain in business. If they get lax, someone else may buy the business and restore its profitability.

By contrast, we don't have to wonder a great deal about political communities. We know what to expect there. But no one should expect perfect consistency in either category. Even heaven had its Lucifer. What counts is the characteristic behavior we can expect of business enterprise, which is premised on service, as contrasted with piratical enterprise, which is by its nature predatory. Either one may step out of character on occasion, but such exceptions only point up the rule.

## 8. How will global decision-making take place?

I envision a deployment worldwide of small, autonomous communities not unlike what are called in anthropology "acephalous" or "stateless" societies, all cooperating rather informally at various levels by networking. For this view I am indebted to the late anthropologist Virginia H. Hine (1977, 1984).

## 9. But isn't profit the incentive driving all of this?

Yes, it's business incentive, and that is what makes it self-sustaining and enduring. Commerce is greatly undervalued and underestimated. The great and growing trend is for land to be administered as productive capital, and in the process what we are witnessing is a natural evolution of leasehold land tenures—exactly what Henry George, Ralph Borsodi, and others proposed as the cure for excessive speculation in land. But they didn't see that cure coming about as a spontaneous market process, powered by ordinary business incentive. It is strange that no one before Spencer Heath ever anticipated it happening this way.

## 10. Why will this change come about quickly instead of over a long period?

We know from history that when conditions are right for a new kind of development, that development can happen very rapidly. In this case we need only recall the crucial role of numbers in enabling us to develop science and commerce, and then observe that something spectacular is happening now. The advent of computers has increased our ability to manipulate not only numbers but information of all kinds by orders of magnitude, and this capability is progressing at an exponential rate. Moreover, the

modem and personal computer, by making the home office a viable alternative to “downtown,” is empowering individuals and enabling an exodus from the regimentation of the workforce, a decentralization within the marketplace of truly awe-inspiring magnitude.

For this reason among others I wouldn't be surprised to see the entrepreneurial community pattern become general by the second quarter of the next century. At that time, should this development have occurred, we will not have overthrown but, without fanfare, will simply have outgrown government as we know it today. Government personnel will have moved into new, more productive employment. Human society, which I believe on the tribal level manifested the normal, healthy societal pattern albeit at an immature stage, will have matured and come into its own. Humankind finally will have negotiated what it may long look back upon as a difficult and hazardous riser in the stair of societal evolution.

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