

Invisible Structures and the Evolution of Regenerative Financial Models

By Vint Lawrence

I would like to present to you one person's view of some of the design principles, ethics, thought processes, and system metaphors that have gone into the development of The Permaculture Credit Union. Permaculture is a design system based upon the principles and patterns of natural systems. Unlike other well-known alternative agriculture systems, permaculture design is applicable to realms of human activity beyond agriculture. Unlike other sustainable design systems and theories, permaculture is grounded in observation and mimicry of the patterns inherent in natural biological systems. Permaculture is uniquely challenged to design for a "permanent culture", creating new systems of cultural behavior based upon natural patterns.

Invisible Structures

In the PC design course that Bill Mollison taught, he would talk at length about "invisible structures" – those elements of our cultural landscape that either support or degrade our attempts to design human settlements and culture that can exist in harmony and symbiosis with natural systems. Understanding "invisible structures" is largely achieved through the process of "deconstructing" existing institutional organizations and cultural practices.

In other words, the cause of your "problems" is likely to be a function of your prior "solutions". Bill said:

"If you have a dysfunctional institution, don't try to change it, that's like wrestling with the "tar baby". Rather, determine what that institution was supposed to deliver and design a better system to actually deliver that purpose or service. If you have done the thing correctly, then people will come to you for that. The old institution will eventually wither and die."

(PDC @ ACR)

Human cultures have been operating from a presumption that natural systems behave in the same way that we have perceived physical processes behave, namely, an assumption that Newtonian physics and specifically the Second Law of Thermodynamics, the tendency of all systems to lose energy over time, governs the productive capacity of natural systems.

On the other hand, life upon this planet, natural systems included, emerged from an airless agglomeration of cosmic dust, and life forms on the planet have been generated from an environment in which there was no living system resource as we know it. Thus, the suggestion is that living systems are not finite and consumptive/exploitative systems, but are an evolving, productive/ generative systems and only our own pattern of consumption and exploitation, out of alignment with the productive generative nature of these natural systems, is what has their capacity appear finite. We have only a fragmentary sense of the possibilities that such an idea might produce if we were to

design assemblies of naturally productive systems for their capacity to produce in open non-resource consumptive cycles.

Sustainable systems and communities are by their nature conservative, in the sense that they wisely utilize the least amount for the greatest return. The resources most readily available are those that are local, resources that reside within the community. Any community that exports its resources to other regions, especially if those resources are not truly “surplus”, will eventually find that it is no longer sustainable.

Although we understand these principles as applying to natural systems, as the basics of ecology, we continue to export financial resources of local communities through the ever-increasing centralization and consolidation of the national banking system. The results of local productivity are being “exported” to banking conglomerates and the profit from these enterprises is being distributed to bank “investors” rather than being reinvested in the local community and in local, sustainable businesses and agriculture. This is very similar to the extractive depletion of natural resources in other spheres.

The banking industry has been one of the most destructive, both in terms of their policies towards the environment as well as their practices of predatory lending in destroying/exploiting communities. One must approach “banks” in the same manner that we regard any other “resource extractive” industry.

The difference between banks and credit unions is that banks “export” their profits to shareholders whereas CU’s reinvest all of their proceeds in the community and the services to the members being served. That is why this work is so important as a model that shows we can redefine how financial institutions can operate to support the health and well-being of ecologically friendly communities and technologies and keep our resources working for those activities that are sound, fair, and ethical.

In the Designers Manual, Bill stated:

“The tragic reality is that very few sustainable systems are designed or applied by those who hold power, and the reason for this is obvious and simple: to let people arrange for their own food, energy, and shelter is to lose economic and political control over them. We should cease to look to power structures, hierarchical systems, or governments to help us, and (instead) devise ways to help ourselves.....We lay waste to our lives in proportion to the way in which the systems we support lay waste to the environment...we need to expand the concept (of social responsibility) to include social and environmental responsibility and to create our own financial and employment strategies in those areas. We should not be passive workers for established destructive systems, but rather we can be investors in life. We cannot profess or teach one ethic, and live another, without damage to ourselves and to common resources.”

In late 1996 and early 1997, as a result of a “permaculture think tank” gathering in Santa Rosa, California, a small group of practitioners in Santa Fe, NM began the long process of translating this statement of principles into what has become the Permaculture Credit

Union. We began by recognizing the potential financial “resource” represented by the number of people who had taken the PC design course over the past fifteen years. What if we were able to pool a portion of those “surplus” resources so as to be able to lend funds to people and projects that supported the three ethics of permaculture?

Permaculture looks at the energy flows in healthy systems, the mutually supportive relationships and associations between the elements in a system (or “guilds”), and the patterns which can be seen as the organizing strategies that give coherence to the resilience of these systems. Part of our design problem was selecting the appropriate models and metaphors. The PCU design group looked to many sources for models and inspiration. In the financial realm, we were informed by the Maleny CU in Australia, the Grameen bank in India, and other models of micro lending. We also looked at the models that Bill had developed over the years

As Bill said well in the Designer’s Manual:

“Money is to the social fabric as water is to landscape. It is the agent of transport, the shaper and mover of trade. Like water, it is not the total amount of money entering a community that counts; it is the number of uses or duties to which we can divert money, and the number of cycles of use, that measures the availability of that money. Leakage from the community must therefore be prevented (*as from a pond or landscape*) and recycling made the rule.” (*PDM C.14*)

So, if money flowed like water, if we could utilize it for many different stacked purposes as it moved across the “cultural” landscape of the permaculture community, if we could keep it recycling and regenerating to support the “earth-care” activities within the permaculture community, then we would show that, again as Bill said:

“Money, however, is not intrinsically evil; it is the accumulation of money and its use to exploit others that is evil. The evil (privilege, power, stupidity, willfulness) lies within people, not within the money itself. Nor is the making of money necessarily evil, providing the uses of money are creative and assist the natural world to proliferate. Thus, we can have a clear conscience on money put to earth rehabilitation”. (*PDM C.14*).

Perhaps the most profound distinction,

“Wealth really resides in a deep knowledge of the natural environment such that you can be supported by your own efforts (like most other species) without the need for institutional systems of external support. If you can obtain from the natural world whatever you need simply by understanding it, then you have achieved true wealth. The ability to achieve this must reside in the underlying health and diversity of that natural resource.” (*Bill @ ACR PDC 1994*)

“Money”, “ownership”, and “rights of use” devoid of “correlated responsibilities” are what give people in industrialized, non-indigenous cultures the misguided sense that they have the right to destroy the integrity of the natural world, the right to consume the

abundance of natural systems without replenishing them. “Money” converts “wealth” into “cash”, an item of no intrinsic value, an item that has no value in the natural world, except, perhaps, as mulch in the garden. We must continually focus upon what the “correlated responsibilities” are both as stewards of the Earth and as members of the PCU. These are the invisible structures that must become more visible and for which each of us must become more accountable.

Perhaps we should be called –“ The First Natural Bank”? –Not Yet

The PCU has attempted from the outset to establish an ethical, replicable, grassroots, and ecological lending institution. Being a credit union, we are owned by our members and the board is elected by those members through an annual democratic process. Our board is an active volunteer board.

The PCU is by no means a complete model; rather, we are a “work in progress”. As we grow and develop, we constantly refer to the original three ethics for guidance in our decision making process. We continue to ask how what we are doing relates to our original purposes and principles. We continue to seek new ideas and energy from our members and the permaculture community as a whole.

I deeply believe in what we have set about – transforming the way financial institutions interact with the ecology of the planet. We are a grassroots, democratic, earth-friendly institution that has created a viable model for individuals to take control of the ethics of their finances.

"We know now we have always been in danger,
down in our separateness
and now up here together,
but till now,
we had not touched our strength."

From "Phantasia for Elvira Shatayev"
Adrienne Rich 1974