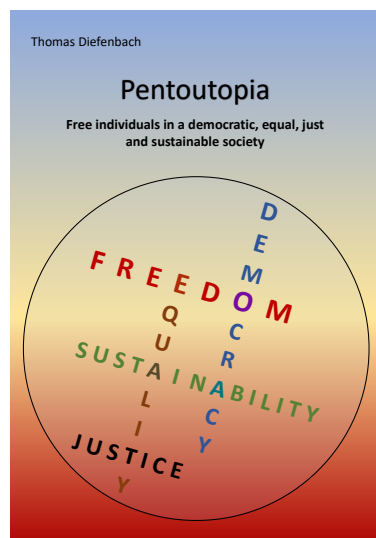


Pentoutopia - Free individuals in a democratic, equal, just and sustainable society



This book is about *Pentoutopia* – the model of a good society. It shows how a society *could* be, how a society *should* be – a society where everyone is as *free* as possible, where all institutions are as *democratic* as possible, where all people have (relatively) *equal* conditions, where life is *just*, and where systems and processes are *sustainable*. The book illustrates comprehensively and in detail how institutions, organisations, the economy and society can be based on, and function according to, the principles of *freedom*, *democracy*, *equality*, *justice* and *sustainability*. Moreover, it demonstrates how Pentoutopia works, how its people and institutions establish and maintain a society that is not just a distant utopia but a *realistic*, achievable and doable utopia.

Published 2022. Available on amazon as paperback (594 pages, ISBN 978-3-00-073491-5) and as eBook on amazon, Google Play and Kobo.

The model society of Pentoutopia¹

The litmus test of any social system is how good it is for people and to people – *all* people, each and every individual. Such goodness of a social system can be assessed and judged by how much it is consistent with, grants and guarantees ‘the essential five’ principles of freedom, democracy, equality, justice and sustainability, i.e.: 1) how much it allows and enables people to be as free as possible; 2) how democratic its institutions (in particular organisations and institutions of governance, management, and regulation) are; 3) how much constitutional, legal, political, economic and social equality it offers and achieves; 4) how much procedural and distributive justice its structures and processes give; and 5) how sustainable, i.e. how balanced, moderate and durable its various systems and members’ activities are. The following points show how well Pentoutopia does in regard to ‘the essential five’.

1) *Free individuals and legitimate institutions*

In Pentoutopia *all* individuals are (presumed to be) *free* individuals, i.e. free from external, unreasonable or illegitimate interference, coercion or restraint (negative freedom) and internally free so that they (can) reason, decide, act and live their lives as they deem right (while leaving others the same right) (positive freedom). In Pentoutopia, people are free as such, among others and within/in respect to (their) various environments. That people in Pentoutopia are (more) free is not because they are (assumed to be) ‘better’ people or some kind of *Übermensch*. It is because of *institutions* (i.e. established norms and values, rules and regulations, organisations, structures and processes). Pentoutopia’s institutions enable and allow people to be free. This is because *all* institutions of and in Pentoutopia are *legitimate* institutions, i.e.:

¹ The following is based on the chapter ‘The model society of Pentoutopia’ (and two, three paragraphs from the following two chapters) from the book Diefenbach, T. (2023, pp. 475-481, 482 and 487): *Pentoutopia - Free individuals in a democratic, equal, just and sustainable society*.

- a) They are consistent with internal and external legitimate claims and requirements such as principles, norms and values, laws, policies, rules and regulations (*formal legitimacy*);
- b) They apply formal rules to issues and to everyone in the same, consistent, non-discriminatory and transparent ways (*procedural legitimacy*);
- c) They are designed, managed and maintained, operate and produce outcomes and consequences for everyone equally in accordance with the fundamental principles of freedom, democracy, equality, justice and sustainability as well as people's inalienable human, democratic and civil rights (*substantive legitimacy*);
- d) Their existence, purpose(s), design, the way they work and the outcomes and consequences they produce are perceived by people as legitimate (*perceived legitimacy*); and
- e) They resemble, and adhere to, in their entirety as well as in all their parts, to rationality and reason, are up for scrutiny and can be criticised, challenged and altered for good reasons (*rational legitimacy*).

Consequently, in Pentoutopia there are no totalitarian, hierarchical and/or otherwise oppressive and exploitative institutions (i.e. authoritarian religious or political regimes, hierarchical organisations, closed groups, asymmetrical relationships and so on). In Pentoutopia there are only *legitimate* institutions, i.e. institutions that correspond with, and adhere to, the fundamental and inalienable rights of individuals and the essential principles of a good society.

Moreover, free individuals and legitimate institutions are related to and reinforce each other. The relationship between free individuals and legitimate institutions is unique to Pentoutopia. This relationship shows itself in the institution of *ownership*, in particular self-ownership and private ownership. In Pentoutopia *every* person has fundamental rights of and to self-ownership and private ownership. The institution of self-ownership means that individuals own themselves (and no one else does) and are in charge ('No God, no monarch, no boss!'). Self-ownership implies the whole range of human, democratic and civil rights – equally for each and every individual – and the inalienability of those fundamental rights. Similarly, the institution of private ownership means that each and every individual has private property (as well as the relevant property rights related to or stemming from private ownership) – especially when it comes to joint work. As a consequence, in Pentoutopia there is no, and cannot be, 'rights-based' or contract-based oppression and exploitation.

The special relationship between free individuals and legitimate institutions also shows itself in and via the principle and concept of *subsidiarial authority*. Subsidiarial authority means that governance and management happen at the lowest possible level. In Pentoutopia everyone is entitled, empowered and enabled by institutions to (democratically) govern and to manage their work and life, as well as the conditions of their work and life (i.e. the public and social sphere), according to their interests and as they deem right. The institution of subsidiarial authority means that there are no top-down command-and-control, superior-subordinate relationships, organisational hierarchy, autocratic or oligarchic systems in Pentoutopia. In Pentoutopia, people are *institutionally* entitled and empowered to govern, to manage and to rule. This specific 'people and institutions' relationship, as it is put into practice via the principles and concepts of ownership and subsidiarial authority, is characteristic of Pentoutopia – *only* of Pentoutopia – and is fundamental for the various spheres of the good society.

2) Democratic organisations

Pentoutopia is also a highly democratic society. For instance, in Pentoutopia *all* organisations are *democratic organisations*. Pentoutopia only allows for democratic organisations that:

- a) Provide all their members with a partnership agreement that grants everyone partner status and that specifies and guarantees the equal rights and responsibilities of every partner to own, manage and control collectively and democratically the organisation and its properties, activities and results

based on the principles and concepts of self-ownership, private ownership and related human and property rights (*libertarian constitution*);

- b) Are based on, and governed accordingly by, the principles of *democratic governance* (democratic institutions of governance, legitimate authoritative sources, democratic governing and ‘good governance’);
- c) Have *democratic management* in place, with heterarchical structures and processes of self-management, representative management and participative management, which gives all members full control over the democratic organisation and its operations.
- d) Are built on the notion of *equalising empowerment*, i.e. that empowered people are disempowered and disempowered people are empowered formally, psychologically and/or socially until all members of the organisation have *equal power*; and
- e) Have a *sustainable* business model, i.e. they pursue and achieve multidimensional social, environmental and economic purposes (‘people, planet, profit’) in balanced ways, demonstrate more decent and cooperative conduct of business, show more pro-environmental behaviour and more long-term oriented, efficient and sustainable business performance.

Democratic organisations are the legal, formal and organisational institutionalisation and realisation of regular joint work of free and equal individuals. The prevalence of democratic organisations is another fundamental characteristic of a good society because such organisations resemble universal ownership (self-ownership *and* private ownership of and for everyone) and subsidiarial authority par excellence. Democratic organisations are *the* form of organisation of and for free individuals.

3) *Democratic market economy*

Pentoutopia’s economy follows this notion. Pentoutopia has a *democratic* market economy that mainly connotes free, largely non-competitive and democratically regulated markets. A *democratic market economy* means that the market, market-related activities and behaviour are based on social norms and rules, legal rights and obligations that are equally relevant for *all* market participants (producers and consumers, buyers and sellers), and in particular that they:

- a) Enjoy their inalienable rights of and to self-ownership, private ownership and related property rights, are able and enabled to make their own economic decisions and act accordingly, i.e. conduct market transactions and market-related activities as free as possible from illegitimate external influence and pressure (*freedom*);
- b) Make decentralised decisions about which goods and services are offered and demanded in which ways, organise themselves and conduct their market-related activities in accordance with the principles of democratic governance and democratic management (*democracy*);
- c) Have the same range of legal entitlements and duties, equal power and equal opportunities, rights and responsibilities to pursue their interests and to conduct (their) business and economic activities. Private ownership and related property rights, management and control rights are legal and statutory rights of *every* member of every market participant (*equality*);
- d) Are treated equally and fairly with regard to their market-related activities and related consequences, for instance receive the fruits of their labour (returns for their work, effort or performance) and a ‘fair share’ of any outcomes achieved through collaborative work according to the principles of desert and performativity (*justice*); and
- e) Demonstrate balanced and sustainable behaviour in order to be able to engage in market-related activities repeatedly/over a longer period of time (*sustainability*).

Only legitimate market participants (such as conservative, alternative or democratic organisations and autonomous/self-employed individuals) are designed and function in such ways and demonstrate economic behaviour that is consistent with the principles of a democratic market economy. Market participants' goals and economic behaviour, actions and interactions are predominantly considerate, balanced, cooperative and sustainable. Such business models and conduct of business shape how markets and how whole industries work. There are no unsustainable business practices or cut-throat competition, but largely cooperative and decent economic behaviour. Consequently, Pentoutopia's economy not only provides quantitative economic growth but also socio-environmental and economic development.

4) *Civil democracy*

The governance of Pentoutopia is different. Pentoutopia is governed in the form of a *civil democracy*. Civil democracy means the governance of the public sphere, public affairs or matters of public concern in the most democratic, participative, collaborative and inclusive ways possible. Civil democracy comprises *democratic self-governance*, *representative democracy*, *participatory governance* and *citizenship behaviour*. It connotes that all members of a social system are institutionally enabled and empowered as much and as far as possible to:

- a) Organise themselves in voluntary and democratic neighbourhood or online groups, to shape the conditions of their lives democratically, and to govern and manage (local) public affairs or matters of public concern via self-organised democratic institutions such as associations or assemblies (*democratic self-governance*);
- b) Be governed only by legitimate forms and institutions of democratic government (i.e. a democratic electoral system and free and fair elections, democratic political parties, a diverse parliament and a democratically elected government), to gain and to hold legitimate positions of political power (equal rights and actual possibilities to vote and to run for public office), to rule (via their democratically elected representatives and legitimate public institutions of governance) and to control power (to scrutinise their representatives' conduct of office, to hold them accountable and to vote them out of office) (*representative democracy*);
- c) Participate directly and regularly in public authorities' governance of public affairs and the governance and delivery of public services, policies, programmes or individual measures that address matters of public concern via citizen participation and direct collaboration between citizens and public administration (*participative governance*);
- d) Enjoy the formal and official status, rights and identity of a 'citizen' and 'citizenship', in particular being allowed and entitled to address any matter of general interest or of public concern, to express their own views, interests and opinions, and to demonstrate any type or form of 'citizenship behaviour' (i.e. proto-political, basic political, advanced and/or radical citizenship behaviour).

With its comprehensive, robust and intertwined institutions of democratic self-governance, representative democracy and participatory governance Pentoutopia is the most democratic society imaginable. It is a fully fledged *representative parliamentary democracy* with a democratic government that is based on justifiable explicit rules (democratic constitution, rule of law), legitimate institutions, the consent of free people, and that can be controlled, sanctioned and replaced regularly by formally institutionalised democratic means. Moreover, it is a social system of *democratic* governance that provides *all* of its members with the same fundamental and explicit, robust and transparent rules, rights and duties to govern themselves directly (self-governance), via participation (participative governance) and/or through representatives that are accountable to everyone (representative democracy). And it offers *all* of its members with opportunities to participate in all political decision-making processes and to govern society, its public spheres, public affairs and matters of public concern in democratic ways. In this sense, Pentoutopia is a *civil democracy* – a comprehensively institutionalised and fully functioning civil democracy.

Crucially, in Pentoutopia all institutionalised governance and management (whether in and of organisations, the economy or society) adheres to the principle of *subsidiarial authority* and is designed and works according to the *concept of interlocking institutions of (self-, participative and representative) governance and management*. The concept of interlocking institutions of governance and management means that organisations, industries, markets, the economy, the public or social sphere are governed first and foremost by those actors and institutions (members of an organisation, market participants, citizens, civil society organisations, political institutions or government agencies) that are closest to (the sources of) the issues and affairs that need to be governed. In this way it is ensured that the knowledge, competences and experience of those who are (presumably) more or most familiar with the issues flow into the decision-making and regulation. Hence, governance and management start ‘at the bottom’ and happen ‘bottom-up’; first comes self-governance and self-management, then co-governance and management, and only then representative governance and management. Actors and institutions regulate up to the point where they have the competences, means and resources to govern or to manage. Beyond that point, other regulatory bodies – ‘the next level’, so to speak – join in, with the lower level still involved and participating. Interlocking institutions means that the various forms of governance and management are at work at the same time, whereby each form regulates the same area and issues until it reaches the limits of its regulatory capacity. As a consequence, governance and management in Pentoutopia is: 1) more comprehensive and thorough; 2) more appropriate, proportional and efficient; and 3) formulated, implemented, monitored and enforced in more collaborative, inclusive and democratic ways.

5) *A more equal, just and sustainable society*

Pentoutopia is also a more equal, just and sustainable society. It is a (much) more equal society because it equips each and every individual with:

- *Constitutional and legal equality* (i.e. constitutionally guaranteed equal human, democratic and civil rights, equal legal status and rights, and equal formal and procedural treatment according to the rule of law);
- *Political equality* (i.e. the same status, rights and responsibilities as citizens and opportunities to be politically active and to conduct the whole range of citizenship behaviour);
- *Economic equality* (i.e. equal economic conditions and opportunities, a fair and just system of taxation and redistribution of income and wealth, in particular a highly progressive equality-enhancing taxation of income and wealth and redistribution of income via monetary social welfare policies and redistribution of wealth through widespread private ownership); and
- *Social equality* (i.e. tackling social inequalities at the individual level via non-monetary social welfare policies provided by public social services, voluntary and/or informal actors and minimising systemic social inequalities via accommodation of individuals’ basic needs, equal opportunities and capabilities and providing everyone with adequate resources).

Pentoutopia provides and guarantees legal, political, economic and social equality for everyone as widely and as far as possible – and more than any other past or present society.

Moreover, Pentoutopia is also a (very) *just* society. It makes sure that:

- *Rights* are granted to everyone equally, in particular that individuals are equally free, powerful and formally, psychologically and socially equally empowered on their own as well as among others (‘equalising empowerment’), i.e. that they have the freedom, skills, competences, resources and opportunities to govern and to manage themselves, their activities as well as social interactions, social relationships and social systems (e.g. the organisations they belong to, the economic, public and social sphere or public affairs and matters of concern) according to their own will and interests;

- *Power* is institutionalised justly, i.e. it is established and executed via legitimate forms and institutions of democratic governance (self-governance, representative democracy and participative governance) and democratic management (self-management, representative management and participative management).
- *Money (income and wealth)* is distributed justly, i.e. inequalities in income and wealth are reduced systematically as much as possible via people owning private property lawfully and legitimately; being remunerated appropriately and fairly; participating in profit-sharing; earning other income (from capital) legitimately; and income and wealth being distributed and redistributed through equality-enhancing fiscal, tax and welfare policies according to the principles of desert and need.

And Pentoutopia is *sustainable* – ecologically, organisationally, economically and socially sustainable:

- 1) *Ecological sustainability*: Most members of Pentoutopia by and large demonstrate pro-environmental behaviour, especially (most) economic actors and market participants conduct their business and carry out their economic activities mostly in ecologically sustainable ways. Industries and markets as well as the whole economy are ecologically sustainable.
- 2) *Organisational sustainability*: Because of their libertarian constitution, democratic governance, democratic management, internal operational structures and processes, and the notion of equalising empowerment, democratic organisations are sustainable by design and conduct their business in considerate, balanced and sustainable ways in respect to social, economic and environmental aspects.
- 3) *Economic sustainability*: Pentoutopia's *economy* – a *democratic* market economy – is a genuinely and systemically moderate (and *moderated*), balanced and sustainable market economy because market participants show decent, stable and long-term oriented conduct of business, industries and markets function in balanced and sustainable ways, and the whole economy is oriented towards socio-environmental and economic growth and development.
- 4) *Social sustainability*: Pentoutopia is a very balanced, moderate, and durable *society* due to its robust institutions of democratic governance (civil democracy) that offer genuine and systemic legal, political, economic and social equality and its comprehensive system of equality-enhancing economic, fiscal and social policies.

All in all, Pentoutopia provides a *realistic* model that solves some of the most fundamental problems of a society (e.g. how individuals can be as free as possible; how institutions can be as legitimate and democratic as possible; how legal, political, economic and social equality can be achieved; and how a social system can be just and sustainable). Moreover, Pentoutopia is a *good* society that is open and dynamic and works *very* well. It is Pentoutopia's particular institutions (*legitimate* institutions) and people (*free* individuals) – and the special 'people and institutions' relationships in the form of *free individuals and legitimate institutions* – that provide individuals, organisations, the economy and society with the broadest possible range and greatest possible amount of freedom, democracy, equality, justice and sustainability. These features make Pentoutopia a unique and outstanding society. It is not only *a*, but *the most* libertarian, democratic, equal, just and sustainable society possible. Pentoutopia offers the best conditions for individuals – and is the best society imaginable. It is a society second to none – at least for those who appreciate and believe in an open, libertarian and democratic society.

Pentoutopia is *realistic* - and it is *possible*; the fundamental principles it is based on and adheres to ('the essential five' principles of freedom, democracy, equality, justice and sustainability) are realistic and achievable, the institutions Pentoutopia is built on are realistic, and the (required or expected) behaviour of individual or collective actors (social behaviour, economic behaviour or citizenship behaviour) is also within the range of behaviour people (can) demonstrate regularly. This book shows that it is theoretically and practically possible to establish and maintain a good society like Pentoutopia. In this sense, Pentoutopia is utopian, but *a realistic utopia*, a 'not so utopian utopia'.