

POM and Joint Ownership

When you were a child you may have had a pet animal. If your parents saw this as an opportunity to help you mature they may have made you responsible for the care and feeding of the pet. Now if the pet was yours alone, if no one else shared ownership of that pet and the pet was not fed or cleaned or "taken for a walk" then your parents would know whom to blame. If your pet was well taken care of then your parents would know whom to praise.

Now picture that same situation except that you have one or more siblings. If you share ownership of the pet with your siblings and the pet is not fed who is to blame? To say that all of you are to blame is the easy answer. But what if it wasn't your turn to feed the pet? How will you feel if you are punished when it was your brother who didn't do what he was supposed to do? You will notice that the more siblings who share ownership, the less responsibility each one feels. This is human nature.

There's nothing we can do to change that. But what will probably happen is that one or the other of the siblings will do all or almost all the work in caring for the pet and the others will share the credit for doing almost nothing.

With siblings, some are older and some have more free time and some are home more and some are more skilled at pet care and some like the pet more. Does it make sense for them to get equal credit and equal blame when their situations are so different? I don't think so.

Next we come to playing with the pet. What if two of those siblings want to play with the pet at the same time? Who determines which gets sibling gets to play with the pet? Will there be arguments over this? Will there be hard feelings? Will the pet serve to divide the family?

All these problems go away if the pet is owned by just one person. Property rights are clear. Responsibility is clear. All decisions concerning the pet are the right and responsibility of the owner.

In an economy, there are many things that are jointly owned. In fact, the major corporations are owned by thousands of people who are stock holders. These owners are, perhaps, allowed to vote on who will actually make decisions as to what the company will do. Yet the owners have no responsibility for what the company does. This is the whole point of a limited liability company. It helps encourage people to invest if they can own without risk or responsibility.

But look at the attitudes of the people in the company. Do they take

responsibility for the actions of the company? Are they at risk if the company is sued? I think you will find that the employees in a corporation feel little or no responsibility for the actions of the corporation. If the company sells tobacco to children, the secretaries in the home office don't blame themselves. The people working in the shipping department who send the cases of cigarettes to the various retail outlets don't blame themselves. The people who stock the cigarette vending machines don't blame themselves. No one in the company assumes responsibility for selling cigarettes to minors. Everybody points the finger at someone else or at the company as a whole.

In short it becomes almost impossible to assign responsibility, credit, or blame for the use of property when the ownership of that property is shared. Only when each item of property is owned by one individual person can that responsibility, credit, or blame be clearly assigned.

Now what has this to do with POM? Why would a money that is a physical object or represents a physical object cause or make possible joint ownership? First, we can be certain that POM does not *prevent* joint ownership since joint ownership abounds in modern economies.

But POM goes beyond that. You recall, I hope, that POM creates the impression, the illusion of a zero-sum relationship in which for one to win other(s) must lose. This means that people feel that others are their opponents, especially when money is involved. Therefore you need allies to help you defend your self and your property. Such groups of allies need to be organized in order to be effective, especially against other groups. From families to governments and all the levels in between such organization must take place. Organizations require resources and that leads us to money. Therefore, all organizations in the modern world, from the family on up, jointly own money and other property.

If people did not see each other as enemies, competitors, or opponents in the economy, there would be no need for joint ownership. One would not need allies to defend one's property from others. It would be assumed that almost everyone else was an ally.

For example, marriage often includes the assumption that the couple will pool their resources. Why is this the case? What purpose does it serve? Tradition would have it that the woman was not able to own property. Therefore, at marriage, the property that would otherwise be hers, would become the property of her husband. She could not protect that property from those who would take it from her. Her husband would take care of her and would have the property to do so.

If there were no threat that others would take her property, there would be

no need for her to have a man to guard her property. She could have independent ownership of property.

In the modern world it was found that the resources needed for many useful projects were far beyond the limits of any one person. Governments could invest in such things since they controlled the resources of the State, the largest of joint ownership cases. In order to collect enough resources for such projects outside government, the investments of at least several and sometimes thousands of individuals (and groups) were pooled with those parties (some individuals and some groups) owning some fraction of the proceeds of the enterprise. Industrial society has many such useful projects and therefore it has many instances of joint ownership in the form of corporations.

You may have noticed that these cases of joint ownership have the same failings as those siblings who share a pet.

In a Non-POM economy, individuals are held responsible for their property. They do not share credit or blame for the consequences of how their property is used. Thus, if someone owns a gun and gives it via trade or sale to someone else and that someone else harms others using that gun, then the original owner is held to be responsible for making the gun available to the criminal. Today, we do not hold responsible those who arm criminals via trade or sale of weapons. Why? Because we use a physical object money.