The Middle Economy

Author credit & correspondence: pete.zheng27@gmail.com

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The New Middle Layer Economy

Traditional economic systems are apparent with their benefits and flaws (re: extensive academic research). Two of the dominating ones are capitalism and socialism with myriads of in-betweens; however, all revolve around the usage of currency being the sole mechanism of exchange between individuals and goods & services (G&S). Individuals are people like you and I – people who buy things of necessity (food, shelter, and more) from small and medium sized enterprises (SMEs) that provide these G&S. Currency is how the world operates by being the foundation that attempts to stabilize (price and exchange rates) accessibility of these items; however, the pitfalls of currency being the only modality yields tremendous downside. We witness this as the world enters an era of global inflation due to the injection of trillions of dollars of currency in 2020, but we need to ask ourselves why those trillions of dollars were injected in the first place. In 2020, governments sought to protect their citizens and keep the global economy from collapse by providing the necessary G&S to protect lives, e..g, PPP loans, unemployment insurance, tax deductions, and so much more. All of these programs and initiatives resulted from the injection of currency to deliver G&S.

The world needs a middle layer economy that bypasses the dependency of currency being the sole facilitation of exchange and allowing technology to be the redemption mechanism with currency acting as a backdrop still facilitating these interactions. For example, if we had to embrace another catastrophic pandemic this year, global governments would repeat the same playbook (injecting currency into the economy) they enacted in 2020 with minor enhancements (fraud prevention, having some partnerships already up with various financial institutions) but still reap the detrimental consequences of inflation. Instead, they could leverage the middle layer economy (our infrastructure technology where individuals and small businesses provide their G&S directly for redemption) by injecting currency directly to the SMBs to subsidize these goods to

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individuals (e.g., 3 meals a day (good), housing for 6 months (service), free covid test at your local healthcare facility (service), and many more) and eliminate the risk of currency ending up in the wrong actors hands or wrong usage (re: PPP fraud) OR governments could provide tax credits/deductions from SMBs that provide these G&S to individuals within their own community (re: tax returns), which can be capped up to a certain amount like current tax laws already enforce on (individual and corporate tax deductions to nonprofit agencies, whom are essentially brokers and a hyper-waste of money with minimal impact). This incentivizes SMBs to be the direct provider of the G&S and reduces the dependency on currency (highly-risky given its versatility) to be the facilitator of these transactions. World hunger can be simply eradicated as SMBs will be incentivized (core business model is maximize profit minimize taxes) – and they are cost-efficient – to provide the basic goods to "needy" folks without "giving" folks wondering if they gave cash to the needy if the cash will be used for G&S (e..g, rise of gift card giving to homeless folks versus cash, donation platforms like GoFundMe, nonprofits, and so many more).

Our infrastructure platform will allow us to have accountability and transparency on who is redeeming these items (folks will have their individual accounts) and what shops are providing them, which also yields richer datasets for government agencies and NGOs to target their efforts better as they now know where social inequities are occurring in real time (e.g., one city is redeeming x amount of G&S for their homeless population versus others).

We can leverage global consumers to spur economic growth within developing economies through recurring injections of currency (not lump-sum) by allowing them to purchase G&S (even without the delivery of it if they so choose, e..g, buying a 2 dollar monthly subscription to a local shop in Ghana or booking Airbnb's in Ukraine without using it like we saw in the early Ukraine war). This will sustainably support economic development (re: entire literature of how to industrialized economies from developing to developed) of these countries by facilitating stronger SMB survival and allow competition to enter the market, which then subsequently allows individuals to redeem these G&S if they need to through the aforementioned mechanisms (eradicating hunger, collaborating with government agencies, and more) therefore pushing global poverty into a self-cannibalizing mechanism that eliminates itself through capitalistic incentives. Rather than universal basic income (great intent but flawed methodology) in which income is a proxy for cost of living, we can go straight into universal basic goods and services if governments so choose to subsidize these items.

This is an ambitious outcome but it begins by getting individuals and SMEs onto our platform through allowing SMEs to create cost-saving subscriptions to generate recurring revenue (diversifies and increases their revenue streams) and for consumers

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to purchase these as it increases purchasing power (net savings) without altering their consumption habits (businesses want more profit and revenue, and consumers want more stuff with their money). This is an approach that leverages a nuanced multi-industry and academic methodology in eradicating these social ills by leveraging the incentive structure of our existing economic systems through this new infrastructure layer of cutting out the “middle” bloat.

The approach is incremental in nature that will set a stronger precedence until we get to the foundational system where we can start integrating with government tax revenue collection agencies and NGOs as the capital that comes to our business from our for-profit model can even be used to provide liquidity to the World Bank or a portion of our own company becomes a developmental bank; however, for this to work we have to be a for profit company. Non-profit companies are unsustainable and frankly may be wiped out with this new middle layer economy, which is actually a good thing because non-profits were never meant to be sustainable (it is written in their business model, not for profit).

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