DisCO economics and governance are determined by each individual DisCO.

DisCO Governance Model offers tweakable templates to meet the 7 DisCO Principles in various ways.

**HERE IS HOW IT WORKS:**

Each DisCO member is a shareholder whose work is accounted for in three ways, representing “value streams” that determine their share of income distribution.

**THE VALUE STREAMS ARE:**

- **LIVELIHOOD:** Client-paid market goods or services
- **LOVE WORK:** Pro-bono/voluntary work to create commons
- **CARE WORK:** Mutual support for members and maintaining the collective

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**OPEN VALUE ACCOUNTING**

DisCO members’ work becomes shares in 3 streams:

- **Tokens** account for **Livelhood** and **Love work**.
- Both are **the productive work** of any DisCO (goods and services like translation, plumbing, music production, textiles... anything goes!)

**But what is Care Work?**

It’s all the **reproductive work** done to maintain the DisCO and keep its members happy, accounted for in **hours**.

When work in three streams has all been accounted for, each type of share is paid based on **current liquidity**.

**So, if a DisCO has 10,000 € cash available one month,**

- 75% goes towards Livelhood shares (7,500 €)
- 25% goes towards Lovework shares (2,500 €)

**NOW, EACH BUCKET IS DIVIDED ACCORDING TO INDIVIDUAL MEMBERS’ SHARES IN LIVELIHOOD**

- Joaninha has **25%** of Livelhood Shares (1,875 €) and **40%** of Love Shares (2,000 €). She is paid 2,875 € **TOTAL**
- Gayatri has **50%** of Livelhood Shares (3,750 €) and **25%** of Love Shares (625 €). She is paid 4,375 € **TOTAL**
- Julio has **25%** of Livelhood shares (1,875 €) and **35%** of Love shares (875 €). He is paid 2,750 € **TOTAL**
The Care Work shares (in hours) are **dynamically balanced**. The method is similar to a "tax".

**TWO POSSIBLE SCENARIOS:**

1. **Joaninha and Julio** have done 2 hours of care work each. **Gayatri** did 4 hours of care work this month.

   Amazing coincidence! Each member has contributed proportionally the same, so no change is made to the payments above.

2. **Joaninha, Gayatri and Julio** have contributed care work hours according to their real capacity for the DisCO’s needs:

   - **Joaninha** has accrued 8 hours of care work.
   - **Gayatri** has accrued 4 hours of care work.
   - **Julio** has accrued 3 hours of care work.

   In this case, the ratio is dynamically applied, to fairly balance the payments. Those who contributed less time for care work will compensate those who contributed more.

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**WHAT THIS LOOKS LIKE IN NUMBERS:**

- **Joaninha**'s care work hours this month are valued at 7% of their total livelihood and love shares.
- **Gayatri**'s care work is 2.3% of her total livelihood and love shares.
- **Julio**'s care work is 2.7% of his total livelihood and love shares.

In a perfect world, care work would always be distributed fairly among members. In this example, that would equate to the equivalent of 7% of their total love and livelihood shares each. For real world reasons, that ideal is impossible, but it is the benchmark for the formula to apply to balance payments fairly.

So, **Gayatri should have carried out 12.25 hours of monthly care work, but instead owes 8.25 hours** (12.25 minus the 4 hours of completed care work) to Joaninha, a total of 206.25 € (8.25 times 25 €). **Julio should have carried out 7.7 hours of monthly care work, owing 4.7 hours (7.7 minus the 3 hours of completed care work) to Joaninha, a total of 117.50 €** (4.7 times 25 €).

**WHAT DOES THE DisCO GOVERNANCE MODEL ACCOMPLISH?**

- Encourages and rewards all types of work (care, love, livelihood) per each DisCO’s value agreement
- Values forms of power-to-act centered around the commons
- Highlights affective and movement-building work (often hidden)
- Optimally balances the workload to avoid "activist burnout"
- Creates community-empowered platforms for sustainable activism
- Enables economic resistance

The DisCO Governance/Economic model enables federated, mission oriented co-ops to practice value sovereignty and address urgent socio-environmental crises.

Text and Infographics by Ann Marie Ullstof, Stacco Troncoso, Guilherme Masuelo and Felipe Duarte - Find out more at www.disco.coop