



Economia Aziendale Online

Business and Management Sciences
International Quarterly Review

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Corporate Estate.
A Theoretical Application of Free Market
Catalactics & Distributive Justice

Michael F. Reber

Pavia, March 31, 2026
Volume 17 – N. 1/2026

DOI: 10.13132/2038-5498/17.1.183-210

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PaviaUniversityPress

Holarchical Innovation Teams: The Corporate Estate. A Theoretical Application of Free Market Catalactics & Distributive Justice

Michael F. Reber, PhD

Fellow,
The Schumacher Institute.
Holarchical Innovation
Teams Study Group.
Tokyo, Japan

Corresponding Author:

Michael F. Reber

hitsai2020@gmail.com

Or contact the Author via
LinkedIn at:
<https://www.linkedin.com/in/michael-f-reber/>

Cite as:

Reber, M. F. (2026). Holarchical Innovation Teams: The Corporate Estate. A Theoretical Application of Free Market Catalactics & Distributive Justice. *Economia Aziendale Online*, 17(1), 183-210.

Section:

Refereed Paper

Received: October 2025

Published: 31/03/2026

ABSTRACT - SOMMARIO

This paper is a theoretical application of the Holarchical Innovation Teams (HITs) philosophy and principles put forth in earlier editions of *Economia Aziendale Online*. These principles stem from the tripartite philosophy of HITs: Human Dignity, Creative Work, and Holarchical Combinatory Value-Creation. This paper addresses HITs Free Market Catalactics & Distributive Justice within the Corporate Estate (CE) Model.

Questo articolo descrive un'applicazione teorica della filosofia e dei principi dei Teams di Innovazione Olarchica (HIT) presentati nelle edizioni precedenti di *Economia Aziendale Online*. Questi principi derivano dalla filosofia tripartita degli HIT: Dignità umana, Lavoro Creativo e Creazione di Valore Combinatoria Olarchica. Questo documento affronta i HITs, i Catalattics di Libero Mercato e la Giustizia Distributiva all'interno del Modello Corporate Estate (CE).

Keywords: catalactics, corporate estate, creative work, distributive justice, holarchical combinatory value-creation, holarchical innovation teams, holarchical paradigm, human dignity, nature-based suitability, noblesse oblige, proportional productive equality, proportional recipient equality

1 – Introduction

This paper is a theoretical application of the Holarchical Innovation Teams (HITs) philosophy and principles put forth in earlier editions of *Economia Aziendale Online* (Reber & Gazzola, 2022, 2023; Reber, 2023a, 2023b). These principles stem from the tripartite philosophy of HITs: Human Dignity, Creative Work, and Holarchical Combinatory Value-Creation.

Recalling Reber and Gazzola (2022, p. 730) we shall define HITs as “Self-assembling teams working together in an obligate mutualistic symbiotic relationship, according to the principles of combinatory systems theory, moving from one innovation project to the next, up the Competency & Topic Altitude and across the Topic Spectrum of Innovation to produce high quality, low cost, and innovative products.” Furthermore, HITs

are grounded in the holarchical paradigm (Reber & Gazzola, 2022, p. 710). Unlike the hierarchical paradigm which has been the foundation of top-down power structures for millennia, the holarchical paradigm has emerged over recent decades with the rise of systems thinking, robotics, and artificial intelligence (Reber & Gazzola, 2022, p. 710; Reber, 2025a).

(I) *THE HOLARCHICAL PARADIGM* is a transformative organizational and ethical framework that reorients human systems from hierarchical control toward holonic self-actualization, mutualism, and value-creation (Reber & Gazzola, 2023). Unlike the Hierarchical/Industrial Revolution Paradigm, which privileges linear thinking, compartmentalization, and top-down power structures, the Holarchical Paradigm recognizes each person as a holon—a whole-part entity with autonomous integrity and integrative relationality (Koestler, 1989/1967; Mella, 2009; Reber & Gazzola, 2022). Within this paradigm, individuals form HITs through obligate mutualistic symbiosis, coordinating across discipline domains and topic-competency altitudes to create valuable products aligned with personal excellence, communal dignity, and global relevance (Reber & Gazzola, 2023). Governed by principles of *eudaimonism* (Norton, 1976, 1991), combinatorial systems theory (Mella, 2025/2017), and continuous improvement (Reber, 2019), the paradigm dissolves dichotomies of far/close, small/large scale, and inside/outside (Mella & Gazzola, 2017, p. 13)—replacing them with dynamic holonic networks that support both individual destiny and collective flourishing (Reber & Gazzola, 2022, p. 711). It is not merely a model of work, but a moral architecture for living systems, where the unity of a life is expressed through creative work (Reber, 2023a, pp. 336-344), distributive justice (pp. 332-336), and the complementarity of personal excellences (pp. 329-332).

(II) *HUMAN DIGNITY* is defined as the “acknowledgement of, recognition with, and empathy for an individual’s irredeemable worth that is to be progressively actualized by oneself and with others in order to foster the complementarity and congeniality of personal excellences” (Reber & Gazzola, 2023, p. 90). It can be expressed as an equation (Reber, 2023a, p. 91):

Human Dignity = Acknowledgement + Recognition + Empathy

$$\mathbf{HD = A + R + E}$$

(III) *CREATIVE WORK* is the synergy of the four elements of Live, Create, Enjoy, and Love (Reber, 2023a, p. 91). We will continue to adhere to the definitions of these terms except for Love. Here, we subscribe to St. Thomas Aquinas in *Summa Theologiae* (I-II, Q. 26, Art. 4), which reads:

I answer that, As the Philosopher says (Rhet. ii, 4), “to love is to wish good to someone.” Hence the movement of love has a twofold tendency: towards the good which a man wishes to someone (to himself or to another) and towards that to which he wishes some good. Accordingly, man has love of concupiscence towards the good that he wishes to another, and love of friendship towards him to whom he wishes good (Aquinas, 2025).

Thus, we define Love as simply “willing the good of the other.”

(IV) *HOLARCHICAL COMBINATORY VALUE-CREATION* is when “self-actualizing individuals form into a holarchy in a combinatorial manner to creatively work together so as to make a value-added product for society” (Reber & Gazzola, 2023, p. 93). Mella’s (2025/2017) combinatorial systems theory (CST) can be expressed in layman’s terms for a HIT as follows: it is a process in which members act in ways shaped by shared global information—information that is produced and continually updated by the members themselves. These actions, whether conscious or unconscious, remain aligned with the HIT’s overarching mission. Individual choices at the

micro level influence broader team dynamics at the macro level, and this interplay generates feedback loops that enable the HIT to adapt and evolve. The result is a self-synchronizing system in which purpose drives behavior, and behavior, in turn, refines purpose (Reber, 2025f; see also Mella, 2025/2017).

A combinatory system can be expressed as a heuristic model that applies a basic causal loop diagram (CLD), as illustrated in Figure 1.

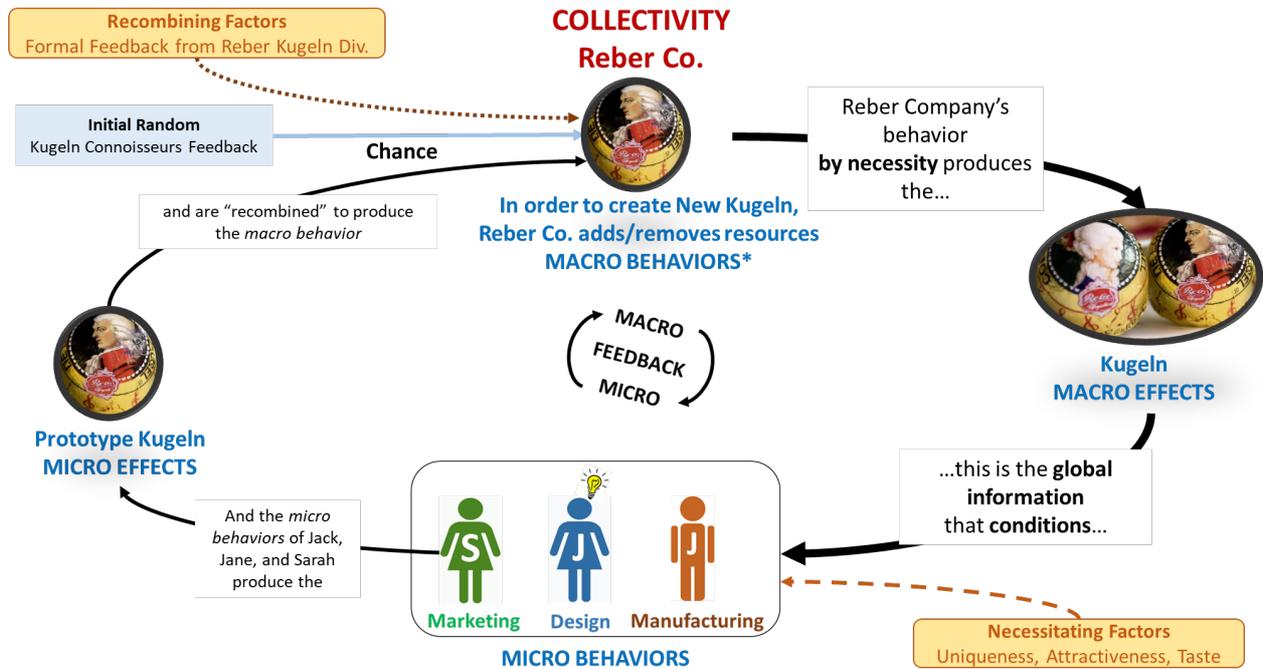


Fig. 1 – Causal Loop Diagram of a Combinatory System (Reber, 2025f)

Let us consider how this model applies to the confectionary industry—specifically, Reber Chocolate Company (Paul Reber GmbH + Co. KG, 2025), a renowned 160-year-old enterprise celebrated for its elegant cafes, cakes, and signature Mozart Kugeln. Headquartered in Bad Reichenhall, Germany—just over a thirty-minute drive from Mozart’s birth place in Salzburg—Reber Co. embodies both tradition and innovation. Suppose three of its employees—Jack, Jane, and Sarah—form a HIT with a shared mission: to create a chocolate kugeln so distinctive, delightful, and gift-worthy that it redefines the category.

Jack, Jane and Sarah are experts in their respective disciplines—Manufacturing, R&D, and Marketing—but they also possess cross-functional fluency, enabling them to collaborate holarchically. Figure 2 illustrates this arrangement as a HITs Matrix. While relaxing in the lounge, Jane proposes, “Would it not be wonderful if we could create a better chocolate kugeln—more distinctive, more attractive, and tastier than the current one?” Jack and Sarah enthusiastically agree. Recognizing that their combined expertise spans all essential functions of product development, they initiate a HIT. In this configuration, each discipline—R&D, Manufacturing, and Marketing—constitutes a holarchy: a whole-part entity contributing to the team’s creative mission. Their collaboration exemplifies the HITs Matrix in action.

Let us revisit our causal-loop model in Figure 1 to see how a HIT’s micro-behaviors generate macro-level value. Jack, Jane, and Sarah set out to craft a chocolate kugeln that is unique, attractive, and delightfully flavorful—their necessitating factors. Individually, each performs

micro-tasks (Jane's R&D trials, Jack's production runs, Sarah's taste tests). Those micro-effects converge in a prototype kugeln, then feed back into the team's next iteration, producing the macro-behavior of a refined concept ready for scale.

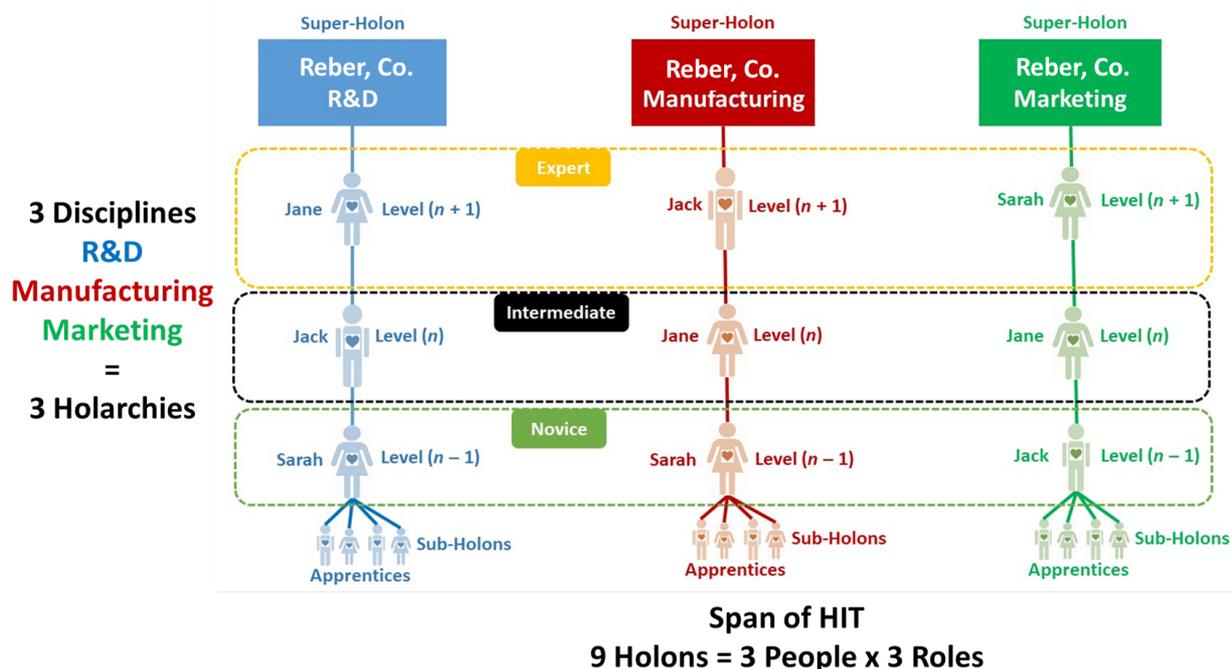


Fig. 2 – Jack-Jane-Sarah Skill Differential within Reber Co. (Reber, 2025f)

Now imagine them at a chocolate connoisseurs conference. A chance encounter with critics yields informal insights on the prototype; back at Reber Co., formal review channels log those same observations. This interplay of serendipitous and structured feedback is the hallmark of holarchical coordination. Where a siloed hierarchy might stifle cross-functional insights, Reber's framework captures both spontaneous recombining signals and planned reviews—accelerating innovation, tightening go-to-market cycles, and ultimately serving customers faster.

With those dynamics in hand, we can now examine HITs' free market catalactics and distributive justice within the theoretical application of the Corporate Estate (CE) model.

2 – The Corporate Estate

The Corporate Estate (CE) is unlike anything that has ever been proposed before in terms of a living, holarchical framework for institutional transformation—one that integrates economic (Reber, 2010), educational (Reber & Kobayashi, 1998; Reber, 2003), and spiritual dimensions (Reber, 2025c, 2025d, 2025e) into a unified ecosystem of mutual flourishing. Rather than replicating hierarchical models of control and separation, CE embodies a regenerative architecture where individuals, families, and organizations participate in a dynamic interplay of roles, responsibilities, and creative agency (Reber, 2025d). It is a place where distributive justice is not merely theorized but enacted through proportional recipient and productive equality (Reber & Gazzola, 2023, pp. 81-82), and where the sacred and the systemic converge in ceremonial, poetic, and practical harmony (Reber, 2025e). CE is not just a model—it is a living metaphor, a sanctuary for innovation, and a blueprint for the future of civilization (Reber, 2025c, 2025d, 2025e, 2025g).

2.1 – Discussion

CE and the HITs framework stand on the shoulders of holonic organizational theory. CE/HITs differ from other organizational models in that they embed normative justice constraints and ceremonial governance into the architecture of self-organizing systems (Reber, 2023a, 2023b, 2025a-g; Reber & Gazzola, 2022, 2023). While holonic and holacratic models—such as those found in holonic manufacturing systems (HMS) (Van Brussel, Wyns, Valckenaers, Bongaerts, & Peeters, 1998), Holacracy (Robertson, 2015), and Teal Organizations (Laloux, 2024)—emphasize decentralization, adaptability, and self-management, the CE/HITs model advances these principles by integrating Proportional Productive Equality (PPE) and Proportional Recipient Equality (PRE) as operational justice mechanisms. For example, the IC Project, which applies Laloux’s Teal model, states:

[In Teal organizations there] are no bonuses, commissions, orders, competition, control, and positions; in exchange, there are trust, cooperation, partnership, and freedom. *Employees decide for themselves how much they earn.* They usually receive a share of the profit (Sinkiewicz, 2022, italics added for emphasis).

However, in the CE/HITs framework, PPE and PRE ensure that the allocation of tasks and resources is morally proportionate to the individuals involved with creating value. Though it may sound appealing that employees decide for themselves how much to earn, the IC Project’s application of Teal is grounded in modern moral minimalism, which is antithetical to the self-actualization ethics of the CE/HITs framework (Norton, 1991, p. 21). Modern moral minimalism is a system of competing values in which “my worth” becomes the “ultimate worth.” This causes a breakdown in the system, no matter how altruistic the motives may be. If everyone in a Teal organization believes she or he should be paid one million dollars per year, then who is to say who is wrong?

Though the CE/HITs framework and HMS both have roots in Koestler’s concept of the holon—and HMS is applied toward value-creation in the CE/HITs catalactics ecosystem (Reber & Gazzola, 2022, pp. 712-721; Van Brussel, Wyns, Valckenaers, Bongaerts, & Peeters, 1998, p. 256)—they differ across eight dimensions: core purpose, holon types, governance architecture, control philosophy, ethical framework, application domain, aggregation and specialization, and staff functions. Table 1 provides a simple comparison between CE/HITs and HMS. We specifically address the PROSA model developed by Van Brussel et al. (1998) to draw a simple comparison, and for brevity, only elaborate on the core purpose distinction.

HMS was “developed in the framework of the Intelligent Manufacturing Systems (IMS) programme” as part of a 1994 feasibility study of “system components of autonomous modules and their distributed control” (Van Brussel, Wyns, Valckenaers, Bongaerts, & Peeters, 1998, pp. 255-256), with the core purpose of *attaining in “manufacturing the benefits that holonic organisation provides to living organisms and societies, i.e., stability in the face of disturbances, adaptability and flexibility in the face of change, and efficient use of available resources”* (p. 256, italics added for emphasis). CE/HITs, on the other hand, *reorients holonic logic toward institutional and ethical governance.*

In the CE/HITs framework, task allocation and resource distribution are not merely efficient but morally proportionate, aligning with each person’s nature-based suitability and entitlement (Reber, 2025b, 2025d, 2025g). Furthermore, the ceremonial governance architecture discussed in section 2.3.1—featuring the Recombining Review Panel, *Noblesse Oblige* Agreements, and the ceremonial “recombining register”—infuses institutional processes with symbolic and ethical

resonance, transforming governance from a procedural necessity into a moral and pedagogical act.

Table 1 – Comparative Table: CE/HITs vs. HMS (PROSA Architecture) (*Van Brussel, Wyns, Valckenaers, Bongaerts, & Peeters, 1998)

Dimension	HMS (PROSA)*	CE/HITs Framework
Core Purpose	Enhance flexibility and robustness in manufacturing through distributed control (p. 256)	Reimagine organizational and innovation governance through moral proportionality and ceremonial design
Holon Types	Order, Product, Resource holons; optional Staff holons for expert advice (pp. 257-259)	Nested governance bodies, ceremonial holons (e.g., Recombining Review Panels, <i>Noblesse Oblige</i> Agreements)
Governance Architecture	Meta-controller defines cooperation rules; staff holons offer centralized advice without enforcing hierarchy (pp. 260-261)	Governance is ceremonial, fiduciary, and symbolic—transforming control into a moral and pedagogical act
Control Philosophy	Hybrid of hierarchical and heterarchical control; supports dynamic reconfiguration (p.261-263)	Justice-based control via PPE and PRE; algorithmic verification and ceremonial oversight
Ethical Framework	No explicit ethical or justice-based mechanisms; focused on operational efficiency	Central focus on distributive justice (PPE/PRE) and self-actualization ethics
Application Domain	Manufacturing systems, especially shop floor control (p.256)	Mission-driven, hybrid, and innovation-intensive organizations
Aggregation and Specialization	Holons can be aggregated and specialized dynamically; supports recursive structures (pp. 259-260)	Nested holarchies are used, but with symbolic and moral layering (e.g., ceremonial roles)
Staff Functions	Staff holons provide expert advice to basic holons; allow centralized algorithms without enforcing hierarchy (pp. 260-261)	CE/HITs replace staff holons with ceremonial roles that embody ethical and symbolic authority

While the CE/HITs framework offers a regenerative alternative to traditional organizational models, its implementation is not without contextual dependencies. As articulated in Reber and Gazzola (2022, pp. 710-711), holarchical systems presuppose a departure from the Industrial Revolution Paradigm and require a cultural shift toward systems thinking, mutualism, and creative work. The CE model, in particular, assumes a high-trust environment in which individuals are willing to engage in ceremonial governance and proportional justice with sincerity and moral intentionality. In contexts marked by institutional distrust, fragmented cultural norms, or adversarial incentive structures, the symbolic and ethical dimensions of CE may be misunderstood or resisted. Moreover, the model's reliance on algorithmic verification (see Section 3.1 "Quantitative Illustration of PPE"), dynamic role recombination (Reber, 2023b, p. 570), and global information feedback loops (pp. 582, 591-594) presumes access to robust digital infrastructure and data integrity systems. Finally, the CE/HITs framework is grounded in a shared commitment to self-actualization ethics and nature-based suitability (Reber &

Gazzola, 2023, pp. 81-82), which may be difficult to cultivate in environments dominated by moral minimalism or transactional paradigms. As Norton (1991, p. xii) reminds us, *noblesse oblige* is the principle “by which persons recognize that their responsibility for continuous moral growth is their responsibility for progressively more elevated moral conduct.” Without this shared ethical orientation, the *CE*’s mechanisms of PPE and PRE may be reduced to procedural formalities rather than lived commitments. These boundary conditions do not undermine the model’s value but rather clarify the ethical, technological, and cultural soil in which *CE/HITs* is most likely to take root and flourish.

To close this discussion section, the *CE/HITs* framework has implications across the domains of organizational design and innovation. First, *CE*’s nested holarchical governance bodies and adaptive roles offer a regenerative alternative to hierarchical command-and-control structures, enabling dynamic team formation and distributed accountability (see Section 2.2.2). Second, the PPE and PRE mechanisms provide a principled foundation for performance appraisal and reward systems, particularly in knowledge-intensive and innovation-driven contexts (see Section 2.2.4). Third, the *CE*’s trust-based legal architecture and fiduciary roles model transparent, mission-aligned governance, especially relevant for hybrid and purpose-driven organizations (see Section 2.3.1). Finally, the *HITs* framework reimagines innovation and team formation as ceremonial and algorithmically verifiable processes, suggesting new pathways for ethical, digitally enabled coordination in R&D and collaborative networks (see Section 2.2.1). While the model’s practical applications remain conceptual at this stage, its synthesis of philosophical, organizational, and technological elements positions it as a compelling contribution to the evolving discourse on ethical innovation ecosystems and regenerative institutional design.

2.2 – *Underlying Assumptions*

In this section we address some underlying assumptions. *CE* is founded not on convention, but on a set of generative assumptions that reorient the purpose of institutions toward human flourishing. These assumptions do not merely support *CE*—they animate it. They begin with a recognition of the individual as a sacred source of value, and extend outward to embrace organizations as living systems, work as a moral and creative act, and leadership as a distributed expression of wisdom. They affirm that place is not passive but pedagogical, and that education must follow the rhythms of life rather than the machinery of industry. Together, these principles form *CE*’s philosophical infrastructure, shaping its ceremonial architecture, its regenerative economy, and its commitment to proportional justice and poetic coherence.

2.2.1 – **Human Beings Are Self-Actualizing Agents of Value-Creation**

At the heart of *CE* is the belief that individuals are not passive laborers, but self-actualizing persons—each guided by an inner-self (*daimon*) and endowed with unique potentials. As Reber and Gazzola (2023) articulated, these individuals do not merely perform tasks; they enact their essence through *meaningful work*. Work, in this paradigm, is not a transactional necessity but a moral and sacred expression of identity, skill, and contribution. *CE* assumes that when individuals are matched with roles that resonate with their intrinsic nature, they flourish—and so does the community. “Nature-based” in this context means a member’s intrinsic alignment with a task that is based not merely on skill or role, but on her or his disposition toward *meaningful work*, cognitive style, and embodied expertise. It serves as a praxeological and moral

construct. The HITs AI Platform concept Reber (2025a, 2025b, 2025d) co-developed with IBM demonstrates that people can be matched properly with roles and teams for work, learning, and leisure activities. This technology has great promise for helping people and societies to actualize their potentials within the context of distributive justice.

2.2.2 – Organizations Can Be Self-Actualizing Systems

Because self-actualizing individuals form the living fabric of *CE*, it becomes a self-actualizing system of organization. This means that *CE* is not a static hierarchy but a dynamic holarchy—an evolving structure where each part reflects and supports the whole. *CE*'s human resource systems are designed to assist individuals in ascending the *Competency & Topic Altitude* and navigating the *Topic Spectrum* (Reber & Gazzola, 2023, pp. 78-82; Reber, 2023b, pp. 573-574), ensuring each person's journey is both personally fulfilling and communally generative (Reber & Gazzola, 2023, p. 72).

2.2.3 – Work Is a Form of Worship and Mutual Service

Work is not divorced from spirit within *CE*. It is a form of worship—a way of reflecting divine love back into the world through creativity, care, and innovation (Reber, 2025e). This assumption transforms the economic engine of *CE* into a moral and ceremonial practice (Reber, 2010, 2023a, 2023b). People do not work merely to survive; they work to serve, to create, and to honor the sacred potential within others (Reber, 2025c, 2025d, 2025e). *CE*'s ethos of *noblesse oblige* ensures that excellence is not hoarded, but shared (Reber, 2023a, pp. 317, 331-332, 337, 339-340; 2023b, pp. 570, 577-578, 582).

2.2.4 – Distributive Justice Guides Allocation of Resources

Within *CE*, distributive justice is not an abstract ideal—it is a guiding principle for the allocation of resources, roles, and recognition. To be clear, David L. Norton states that ...

... the individual who possesses self-knowledge and lives by it manifests justice, first by not laying claim to goods that he or she cannot utilize, and second by actively willing such goods into the hands of those who can utilize them toward self-actualization. What is expressed in both cases is not "selflessness," but the proportionality of a self-responsible self that is situated in relations of interdependence with other selves that are, or ought to be, self-responsible. An individual who possesses self-knowledge and lives by its direction recognizes goods to which he or she is not entitled as distractions from his or her proper course of life.... And to will to others their true utilities is at the same time the concrete expression of respect for them as ends in themselves and recognition that we stand to gain from the worthy living of others. (Norton, 1991, pp. 121-122)

Drawing from the *eudaimonistic* framework articulated by Reber and Gazzola (2023, pp. 81-82), distributive justice emerges through the interplay of two complementary principles: *proportional productive equality* and *proportional recipient equality*.

Norton (1991, p. 161) defines these as follows:

Proportional Productive Equality (PPE): "obtains when A and B are alike doing the work for which each is by nature best suited."

Proportional Recipient Equality (PRE): "obtains when A and B alike possess the particular goods and utilities to which each is entitled."

These definitions can be expressed as conceptual equations:

For PPE, let:

W_A = Work performed by individual A

N_A = Nature-based suitability of A for that work

W_B = Work performed by individual B

N_B = Nature-based suitability of B for that work

\Leftrightarrow = “if and only if” — PPE exists only when the condition is true, and vice versa

W_i = Work performed by person i (where i could be A or B)

N_i = Nature-based suitability of person i for that work

\approx = “approximately equal” — meaning the work and the person’s nature are well-aligned, even if not perfectly identical

\forall = “for all” — this applies to everyone in the group

$i \in \{A, B\}$ = “ i is in the set of A and B” — we are talking about two people, A and B

Equation 1

$$\text{PPE} \Leftrightarrow W_A \approx N_A \quad \text{and} \quad W_B \approx N_B$$

Explanation:

This equation means that proportional productive equality exists only when each person is doing work that aligns with her or his nature—not identically, but in a way that reflects her or his unique strengths and inner-self (*daimon*).

Equation 2 (Compact Form)

$$\text{PPE} \Leftrightarrow W_i \approx N_i \quad \forall i \in \{A, B\}$$

Explanation:

This compact version expresses the same idea: PPE exists “if and only if” the work done by each person (A and B) is approximately equal to the kind of work for which each is naturally suited. The symbols simply condense the logic to apply across all individuals in the group.

For PRE, let:

G_A = Goods and utilities possessed by A

E_A = Entitlement of A to those goods

G_B = Goods and utilities possessed by B

E_B = Entitlement of B to those goods

\Leftrightarrow = “if and only if” — PRE exists only when the condition is true, and vice versa

G_i = Goods and utilities possessed by person i (where i could be A or B)

E_i = Entitlement of person i to those goods

\approx = “approximately equal” — the goods received are well-aligned with what the person is entitled to

\forall = “for all” — this applies to everyone in the group

$i \in \{A, B\}$ = “ i is in the set of A and B” — we are talking about two people, A and B

Equation 1

$$\text{PRE} \Leftrightarrow G_A \approx E_A \text{ and } G_B \approx E_B$$

Explanation:

This equation means that proportional recipient equality exists only when each person receives the goods and utilities she or he is entitled to—not identically, but proportionally, based on her or his nature, contribution, and moral standing.

Equation 2 (Compact Form)

$$\text{PRE} \Leftrightarrow G_i \approx E_i \quad \forall i \in \{A, B\}$$

Explanation:

This compact version expresses the same idea: each person receives the goods and utilities she or he is entitled to—not identically, but proportionally. The symbols simply condense the logic to apply across all individuals in the group.

Together, these principles ensure individuals perform work suited to their nature and receive goods commensurate with their inherent worth (Reber, 2023a, pp. 334-335). This framework is rooted in the moral obligation of *noblesse oblige*, where individuals recognize their responsibility for continuous moral growth as the foundation for greater moral conduct—thus elevating themselves and others (Reber, 2023b, p. 578).

In practice, this means that resource distribution within *CE* is not determined by hierarchy or entitlement, but by the complementarity and congeniality of personal excellences. Each person's *daimon* guides her or his contribution, and *CE*'s systems respond by aligning support, opportunity, and reward with that inner calling—manifesting human dignity through structural justice.

2.2.5 – Holarchical Systems Transcend Hierarchical Dichotomies

CE assumes that traditional hierarchies of scale, proximity, and authority are insufficient for fostering human dignity and innovation. Instead, it embraces holarchy: a system where every level is both whole and part (Koestler, 1989/1967), and where leadership is distributed according to wisdom, contribution, and relational resonance (Reber, 2023b, pp. 571-575). This obliterates the dichotomies of near/far, large/small, and inside/outside, replacing them with a fluid architecture of complementarity and creative emergence (Reber, 2023b, pp. 571, 577).

2.2.6 – Place Matters: Architecture as Moral and Metaphysical Expression

The physical design of *CE* is not incidental. It is intentional, ceremonial, and pedagogical. Every gate, garden, and gathering space embodies the values of the community (M. F. Reber, personal communication, December 7, 2024). *CE* assumes that place shapes consciousness and that architecture can be a vessel for moral imagination. The presence of positive and spiritually uplifting symbolic adornments reflects *CE*'s commitment to integrating the sacred and the systemic. Hans Urs von Balthasar expresses this most eloquently:

We no longer dare to believe in beauty and we make of it a mere appearance in order the more easily to dispose of it. Our situation today shows that beauty demands for itself at least as much courage and decision as do truth and goodness, and she will not allow herself to be

separated and be banned from her two sisters without taking them along with herself in an act of mysterious vengeance (von Balthasar 1982, p. 18).

King Charles III echoes von Balthasar when he is quoted as saying:

...we have to reconnect with those traditional approaches and techniques honed over thousands of years which, only in the 20th century, were seen as 'old-fashioned' and of no use in a progressive modern age. It is time to take a more mature view (Butler, 2022).

In a sense, we can refer to architecture for *CE* as a “BALTHASARIAN APPROACH” or “NOBLE BEAUTY”—“a beauty that reveals the ontological reality” (McNamara, 2005, p. 138)—and formulate some basic design criteria for all *CEs* as follows.

2.2.6.1 – *Architecture as Embodied Relational Meaning*

The design of ceremonial space should begin with the form of relational presence—*Love*—as expressed through communal embodiment, since, as McNamara (2005, p. 140) states, “it has been becoming more and more clear that the Modernist architectural experiment has failed society in many ways.” Architecture becomes meaningful when it reflects the depth of shared human aspiration, not merely utility or aesthetics.

2.2.6.2 – *Beauty as Ontological Invitation*

Beauty is not decorative; it contains an “ontological secret...which by definition reveals beauty and results in joyfully rapturous discovery” (McNamara, 2005, p. 140). It invites participation in something greater than the self. It is an experience of coherence, dignity, and joy. Without beauty, spatial environments risk becoming emotionally sterile and intellectually unpersuasive.

2.2.6.3 – *Form as Symbolic Language*

Architectural form operates like language and that “it is better to discuss architecture’s ability to bear meaning” (McNamara, 2005, p. 143). Classical design traditions offer a lexicon of proportion, rhythm, and anthropomorphic resonance that allows buildings to speak intelligibly across generations (McNamara, 2005, pp. 143-144). Like language, classical architecture is both flexible and stable, poetic and precise, mundane and transcendent (McNamara, 2005, pp. 143-144), bearing the grandest and subtlest expressions (p. 144). McNamara (2005, p. 144) identifies six essential qualities that make classical architecture “an intelligible language for revelation of the ontological secret”:

- (1) “continued place in the western (and possibly global) cultural vocabulary”
- (2) “inherent respect for received tradition”
- (3) “integration of proportional systems in imitation of nature”
- (4) “anthropomorphism”
- (5) “poetic revelation of structure”
- (6) “origins in festive architecture”.

2.2.6.4 – *Place as Eschatological Anticipation (Secularized)*

CE is ceremonial architecture which anticipates a future ideal—“a perception of the reality in which one participates” (McNamara, 2005, p. 150)—in this case, a society marked by harmony,

dignity, and mutual recognition. Through symbolic adornment and spatial hierarchy, it gestures toward what ought to be, not merely what is.

2.2.6.5 – *Design as Sacrificial Investment*

To build with symbolic richness is to invest in meaning over utility; it requires courage to resist the reductive demands of economy and trend and instead affirm that place matters, and that form can elevate consciousness and invite ethical reflection. *CE* is indeed “a festive architecture” that “both displays and reinforces the notion of the sacrificial feast” (McNamara, 2005, p. 151).

2.2.7 – Education Is Rhythmic, Holistic, and Purpose-Driven

Children and adolescents within *CE* are not subjected to standardized industrial schooling models. Instead, *CE* assumes that learning must align with circadian rhythms, holistic development, and the unfolding of personal potential (Reber, 2003, 2025d).

Education is not preparation for labor—it is preparation for life, for leadership, and for moral imagination and love (Reber, 2003, 2025d). *CE*'s pedagogical systems are designed to help each learner identify and actualize her or his inherent gifts and follow her or his interests (Reber, 2003, 2025d). This vision resonates with Howard Gardner's lifelong advocacy for personalized and multidimensional learning, and his own personal adventure in education. In an interview with Lory Hough for the *Harvard Graduate School of Education News*, Gardner reflects,

I hated being in graduate school because once I got to graduate school, they tried to make me into a research psychologist. They tried to pigeonhole me.... They were trying to train professors, and professors are supposed to be excellent in one thing and to write in that area. But I really remained interested in history, sociology, anthropology, and so on. What I've tried to do in my career, I've tried to be a good scholar, but I focus on whatever interests me. If you thumb through the table of contents in [my] two new books, you're going to read stuff about the brain, language, my times in China, and Reggio Emilia in Northern Italy (Hough, 2024).

Furthermore, Gardner's emphasis on contextual, interdisciplinary learning affirms *CE*'s commitment to helping each learner identify and actualize her or his inherent gifts. Gardner has dedicated much of his writing to multiple intelligences and education. He emphasizes that there are many ways to learn and rejects one-size-fits-all education (Gardner, 1993, 1999, 2000, 2004, 2006, 2011/1993, 2012, 2024). Similarly, *CE*'s pedagogical systems are designed to cultivate human dignity through meaningful work, creative agency, and moral imagination (Reber & Gazzola, 2023, pp. 81–82).

2.3 – *Structure & Governance*

This section sets the legal, spatial, operational, financial, and regenerative context for *CE* so that HITs can form, self-organize, create value, and be rewarded while protecting the Estate's charitable purpose and long-term integrity. The governance framework operationalizes combinatorial system dynamics (necessitating factors, recombining factors, chance events, micro-macro feedback, endogenous and exogenous controls) into clear roles, processes, metrics, and safeguards.

2.3.1 – Trust Legal Architecture and Fiduciary Roles

CE is constituted as a charitable trust whose legal framework intentionally channels longevity, public benefit, and ethical constraint into every operational choice. The Trust Deed defines purpose (lifework balance, education, and innovation), permissible commercial activity, beneficiary classes (resident members, dependents, partner institutions), limits on asset disposal, and regeneration obligations that together prevent mission drift while enabling entrepreneurial experimentation.

Governance is layered. An independent Board of Trustees holds fiduciary authority for high-level policy. Trustee approval is required for investor incentives that materially alter the allocation of resources. An Estate Steward executes policy, chairs the Recombining Review Panel, and serves as the primary escalation point for HITs.

The Recombining Review Panel is a ceremonial and operational body that evaluates recombining submissions, micro-effect reports, and chance-event logs to determine alignment with *CE*'s charitable purpose, regenerative commitments, and fiduciary safeguards. Chaired by the Estate Steward, the Panel convenes quarterly and ad hoc, drawing on inputs from HIT Stewards, Zone Stewards, and Advisory Council members. Its deliberations are recorded in the "recombining register" and serve as moral and strategic guidance for Trustees.

Operational custody is delegated to named HIT Stewards who ensure compliance with a *Noblesse Oblige* Agreement, maintain the "recombining register"—*CE*'s ceremonial ledger that logs micro-effects, recombining inputs, and chance events—and administer quarterly micro-effect reporting. An Advisory Council provides non-voting technical, pedagogical, and community insight without overriding fiduciary authority.

The Trust Deed and delegation matrix embed conflict-of-interest rules, mandatory audit cadence, and regeneration triggers so that fiscal prudence, ethical safeguards, and transparent escalation govern when exogenous incentives or major reallocations are considered.

CE's governance is not merely procedural—it is ceremonial. That is, it embodies moral and symbolic meaning through ritualized roles, spatial holarchies, and value-affirming processes. The Estate Steward serves not only as a policy executor but as a moral witness; the "recombining register" functions as a ceremonial ledger of contribution; and quarterly micro-effect reporting becomes a ritual affirmation of work and worth. This ceremonial governance ensures that *CE*'s operational decisions remain aligned with its sacred purpose, reinforcing dignity, excellence, and mutual flourishing.

2.3.2 – Spatial Masterplan and Zone Stewardship

CE's Spatial Masterplan intentionally makes place an active pedagogue, as shown in Figure 3. *CE* is zoned into seven complementary domains—Residential Suites, Educational Facilities, Innovation Labs & Offices, Dining & Hospitality, Recreational Areas, Farm, and Gardens—each administered by a Zone Steward responsible for daily maintenance, capital planning, accessibility, and the intentional deployment of symbolic and material adornments that express the Trust's ceremonial and ethical values. Zone Stewards serve as sentinel nodes in *CE*'s combinatorial information structure, logging recombining inputs, chance events, and external feedback in the "recombining register," and triggering signals for PDCA (Plan-Do-Check-Adjust) adjustments or escalation to Trustees. Spatial policy is codified in a living Masterplan and enforced through Zone Use Permits that require recombining submissions, risk and impact models, and defined escalation paths for partner pilots and investor-sponsored activities.

Conservation covenants, permitted-use tables, and capital reserve rules protect built heritage and regenerative infrastructure, while staged orientation sequences and HITs Matrix onboarding socialize newcomers into *CE* micro-macro literacy.

Amenities and services are organized into operational categories that map directly onto Figure 3 and *CE*'s Human Systems Model: Workspaces (innovation labs, prototype production, maker studios, and offices) support PDCA cycles and rapid iteration; Dining & Hospitality (grand hall, community kitchen, tea room, and visitor reception) sustain communal life and external engagement; Arts & Recreation (library, galleries, music and drama rooms, sports court, and pool) foster cultural formation and informal recombining encounters; Health & Life-Support (clinic, nursing, assisted living) remove subsistence anxiety; Residential Services (suites, housekeeping, laundry, postal, banking, concierge) provide stable life-support; Education & Childcare (classrooms, apprenticeships, K-12 school) supply the Education Facilities and pipeline HITs talent; and Outdoor & Sustenance (central courtyard, organic garden plots, orchard, stables, and renewable energy demonstration) model regenerative practice and serve as passive learning sites. These zones, stewards, permits, and amenity categories operate in concert to ensure that landscape, thresholds, and gathering spaces actively train attention, shape habit, and channel the micro-behaviors that produce *CE* holarchical combinatory value-creation.

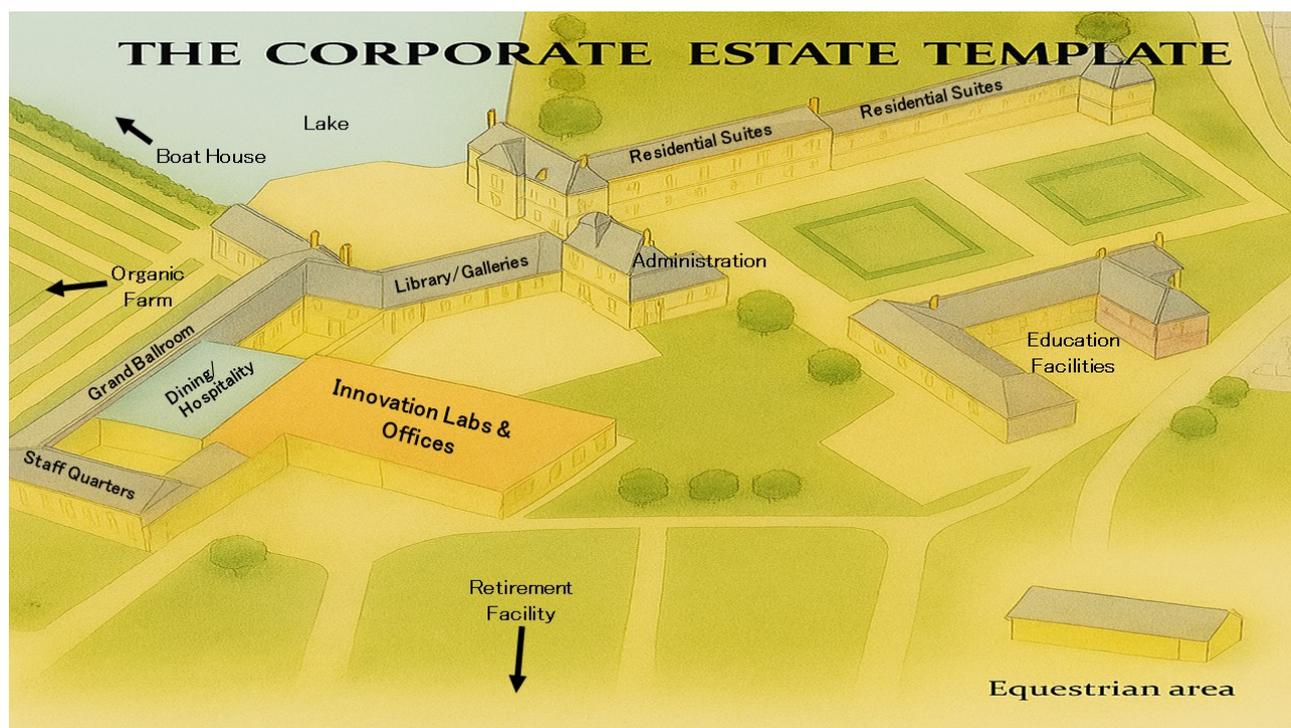


Fig. 3 – The Corporate Estate Template (Inspired by Château de Fontainebleau)

2.3.3 – Corporate Governance Framework

The *CE* corporate governance framework structures every phase of a HIT's life cycle—formation, resourcing, operation, reward, and conduct—so that each team remains aligned with the Estate's holarchical, combinatory ethos. It specifies how partner corporations may establish *formation pathways* by dispatching employees (and their families) to live on-site and collaborate on innovation projects for multi-year terms. *Funding mechanisms* are articulated through

resource requests that outline material, personnel, space, and budget needs, while also identifying the recombining signals required to unlock further investment. *Duration controls* are implemented via a time-bound scope that defines project timelines, deliverables, and PDCA-mapped milestones to ensure iterative progress and timely conclusion. *Reward schemes* allow participants to earn patent royalties, equity stakes, or alternative compensation tied to measurable outcomes.

Finally, *conduct commitments* are formalized through a *Noblesse Oblige* Agreement, in which every member pledges to uphold proportional productive and recipient equality, adhere to ethical standards, and follow restorative protocols. Together, these elements embed transparency, accountability, and continuous improvement principles into the governance of every HIT.

2.3.4 – Income Generation, IP Ownership, and Profit-Sharing

The CE's revenue architecture is deliberately diversified so that successes in one domain underwrite experimentation in others. Income flows from CE-owned ventures and direct HITs commercialization, plus licensing and patent royalties; partner-sponsored fellowships and contracted R&D; grants and philanthropy; hospitality and visitor programs; and agricultural, land-use, and renewable-energy yields.

Every new invention enters a three-stage IP and commercialization pathway before it can generate revenue:

Stage 1: Disclosure and Registration. Inventors or HITs file new IP with the CE IP Office and undergo an initial internal recombining review to surface early feasibility signals.

Stage 2: Recombining Review. CE divisions and external partners evaluate market readiness, technical scalability, and resource needs through formal feedback mechanisms.

Stage 3: Commercialization Plan Approval. Teams submit a full business plan—complete with benefit-sharing model, risk allocation, and go-to-market roadmap—for Trustee sign-off, which also triggers any investor-incentive commitments or major resource reallocations.

Upon approval, profits feed into an adaptive profit-sharing framework that both preserves long-term sustainability and proportionally rewards creators. Net Distributable Profits (NDP) default allocations are 50 percent to the inventor or originating HIT, 25 percent into a HIT Operational Pool for reinvestment in team growth and follow-on projects, and 25 percent into a Sustainability Reserve to underwrite CE infrastructure and future innovation.

When verified macro-performance thresholds—such as validated market uptake or recombining-signal benchmarks—are met, a Contingent HITs Performance Pool may be released to further reward exceptional teams. External investor incentives can top up NDP, but only under the fiduciary safeguards and escrow mechanisms defined in Section 2.3.1 (“Trust Legal Architecture and Fiduciary Roles”). Any departure from the standard NDP allocation requires an Impact Model and formal Trustee resolution before funds are accepted.

Licensing and royalty flows follow standardized schedules and milestone triggers. Payments are escrowed, certified by independent audit, and settled quarterly. By closing the loop between performance conditions, transparent certification and on-time distributions, this revenue-feedback cycle keeps income generation and IP commercialization tightly integrated with the CE's holarchical, combinatorial governance ethos.

2.3.5 – Residency, Onboarding, Education, and Safeguards

The *CE* membership framework balances inclusion with rigor by defining clear residency statutes, structured onboarding, robust education governance, and comprehensive safeguards. Every individual—whether a long-term resident, dependent, visiting fellow, or partner-cohort member—moves through a transparent path from eligibility to active participation, backed by protective policies at each stage.

2.3.5.1 – Residency Statutes & Categories

CE distinguishes four residency classes, each with explicit rights and exit procedures. A *resident member* holds full operational and governance privileges in exchange for ongoing *HITs* participation. A *dependent* is covered by a sponsoring resident's housing and service package and receives family-oriented benefits. A *visiting fellow* holds short-term research or practice status tied to partner-sponsored projects. A *partner cohort member* refers to employees dispatched by corporate or institutional partners for multi-year innovation residencies. Eligibility flows through established feeders—partner institutions, university internships, member recommendations, and legacies—and each class has enumerated entry criteria, housing assignments, amenity access, and defined departure protocols.

2.3.5.2 – Onboarding & Competency

New members complete layered orientations and trainings to build fluency in *CE's* combinatory systems. An *institutional orientation* provides an overview of *CE's* purpose, legal architecture, and zone stewardship. The *HITs orientation* offers team-specific briefings on mission charters, time-bound scopes, and PDCA cycles. A *family orientation* delivers guidance on residential life, educational supports, and health services, while a *children's orientation* presents age-appropriate introductions to *CE's* learning pathways and safeguarding policies. Mandatory workshops cover micro-macro feedback literacy, recombining-factor reporting, and iterative PDCA methods. Concurrently, each member fashions a digital persona with the *HITs AI Platform* (Reber, 2025b, 2025d) capturing productive roles, personal necessitating factors, agreed micro-effect metrics, and transparency preferences—laying the groundwork for immediate alignment and accountability.

2.3.5.3 – Education Governance

A multi-stakeholder *Education Council*—comprising parents, educators, and the Estate Steward—oversees *holistic curricular design* that integrates academic, vocational, and life-skills learning; *apprenticeship and HITs placements* that match learners to active innovation teams; *child safeguarding protocols* that enforce protective policies, background checks, and safe-space standards; and *external accreditation pathways* that convert *CE* learning into recognized credentials through university and professional partnerships.

2.3.5.4 – Safeguards and Dispute Resolution

Ethical integrity relies on preemptive commitments and impartial adjudication. A *community code of conduct*, signed at onboarding, embeds restorative-justice covenants and behavioral norms. An *advisory arbitration panel* is empowered to resolve IP, profit-sharing, or recombining disputes, drawing interpretive guidance from the Recombining Review Panel (see Section 2.3.1)

when conflicts involve logged micro-effects or ceremonial ledger entries; all such proceedings are supported by mandatory audit trails for any investor-triggered resource changes. *Conflict-of-interest screening* applies formal disclosure and recusal rules to all external recombining inputs and trustee-level resource decisions.

2.3.5.5 – Privacy and Data Governance

Protecting personal and performance data is paramount. *Data minimization* ensures that only the information necessary to operate CE's combinatory systems is collected. *Retention policies* define predefined schedules for managing recombining logs, chance-event registers, and orientation records. *Consent regimes* require granular member approvals before any external data sharing or analytics can occur. Together, these residency, onboarding, educational, and safeguard protocols ensure that CE remains a secure, inclusive, and dynamically innovative environment—where human dignity, continuous learning, and systemic accountability reinforce one another.

2.3.6 – Finance, Accountability, and Regeneration Protocols

The CE's financial and accountability protocols knit together prudent budgeting, transparent performance tracking, and a responsive regeneration process. By isolating designated funds, surfacing real-time metrics, and codifying trigger-driven interventions, this framework ensures that resources fuel innovation without compromising the Trust's long-term integrity.

2.3.6.1 – Financial Architecture and Dashboards

CE's financial architecture and dashboards provide a transparent, multi-tiered system for resource stewardship, performance monitoring, and public accountability. The architecture includes *ring-fenced budget pools* (a dedicated fund reserved for a specific purpose that is protected from being used for unrelated expenses) such as *operating reserves* for day-to-day continuity, a *capital replacement fund* for infrastructure upkeep, a *CE enterprise fund* for seeding new ventures, and a *contingent HITs performance pool* to reward exceptional team outcomes. *Quarterly performance dashboards* track lifework metrics, HITs productivity, educational outcomes, environmental KPIs, recombining-event logs, and chance-event registers. *Public reporting dashboards* feed into Trustee Deliberations (see Section 2.3.1 "Trust Legal Architecture and Fiduciary Roles") and support the publication of concise public summary reports. Together, these financial and reporting mechanisms ensure that CE's economic flows remain mission-aligned, ethically governed, and visibly accountable to both internal stakeholders and external partners.

2.3.6.2 – Regeneration Protocol (Trigger-Driven Stages)

The *Regeneration Protocol* is a structured, stage-based response system designed to address misalignments or disruptions within CE's innovation ecosystem. It begins with an *early warning phase*, in which dashboard thresholds apply micro indicators—such as prototype micro-effects and HITs micro-metrics—and macro indicators like market demand and adoption rates to flag emerging issues and summon a rapid review. In the *stabilization stage*, Trustees may authorize stop-gap measures including temporary funding, partner bridging, targeted recombining activation, or conditional investor incentives to support in-flight projects. This is followed by *targeted regenerative HITs formation*, where new or reconstituted HITs are assembled around

explicit remediation plans that address root-cause issues identified in the earlier stages. Finally, the *spinoff* or *reintegration decision* involves member consultation and a Trustee-led determination to either spin off mature ventures, reintegrate teams into *CE* operations, or wind them down under equitable distribution rules. This protocol ensures that *CE* remains resilient, adaptive, and committed to principled regeneration in the face of disruption.

2.3.6.3 – Audit, Transparency, and Public Reporting

To uphold fiduciary integrity and public trust, *CE* implements rigorous audit and reporting protocols that ensure financial and procedural transparency. It conducts *quarterly independent audits* of recombining logs, investor-incentive allocations, NDP calculations, and contingent performance pool releases. It also provides *public donor reporting*, including concise summaries of major chance events and corresponding Trustee responses. Additionally, *CE* enforces *mandatory quarterly settlements* for profit-sharing, supported by independent reconciliation procedures and the availability of an Advisory Arbitration Panel for dispute resolution (see Section 2.3.1 “Trust Legal Architecture and Fiduciary Roles” and Recombining Review Panel). These measures collectively safeguard the ethical and transparent operation of *CE*’s financial and governance systems.

2.3.6.4 – Embedded Policy Clauses

To ensure alignment between operational behavior and *CE*’s ethical architecture, key policy clauses are embedded directly into governance and financial protocols. The *necessitating factors clause* requires each resident HIT to declare and update its primary necessitating factors on a quarterly basis, anchoring all resource decisions in mission-relevant justification. The *recombining feedback clause* mandates that all formal recombining inputs and serendipitous chance events be logged in the “recombining register,” with specified signal combinations triggering escalation to the Estate Steward or Trustees. These signals are interpreted by the Recombining Review Panel (see Section 2.3.1), which determines whether escalation is warranted. The *investor incentive clause* stipulates that external incentives are admissible only after Trustee review and approval, and any incentive that alters profit-sharing or resource allocation must include a transparent Impact Model and safeguards against mission capture. Finally, the adaptive *profit-sharing clause* ensures that Net Distributable Profits (NDP) allocations are adjusted quarterly based on verified macro-performance, with the Contingent HITs Performance Pool released only upon Trustee audit and public disclosure (see Section 2.3.4 “Income Generation, IP Ownership, and Profit-Sharing”). Collectively, these embedded clauses operationalize *CE*’s commitment to transparency, proportionality, and regenerative accountability.

By unifying dedicated funds, real-time accountability, and a stage-gated regeneration pathway, this section embeds financial rigor and adaptive resilience at the heart of the *CE*’s holarchical governance.

3 – CE HITs Free Market Catalactics & Distributive Justice

With the aforementioned sections one and two providing the philosophical and scientific foundations for HITs as well as a cursory review of *CE*, we will now address theoretical applications of HITs within free market catalactics. *CE* is not a bureaucracy. It is a living market system—an internal *catallaxy*—where each member’s purposeful action under conditions of

scarcity generates price signals, profit-and-loss feedback, and credit flows that coordinate resource allocation across holarchical networks.

As Ludwig von Mises affirms in his seminal work *Human Action*:

Economics does not allow of any breaking up into special branches. It invariably deals with the interconnectedness of all the phenomena of action.... There is only one coherent body of economics (von Mises, 1998, p. 870).

Ludwig von Mises (1998, p. 235) devotes all of Part Four of *Human Action* to catallactics, which he defines as the “analysis of...market phenomena” —specifically, “those actions which are conducted on the basis of monetary calculation.” He frames this analysis within a theoretical assumption that all market participants possess perfect knowledge of market data and are therefore able to take full “advantage of the most favorable opportunities for buying and selling” (von Mises, 1998, pp. 324–325). Catallactics, Mises (1998, p. 646) explains, encompasses all actions characterized by two conditions: “*private ownership of the means of production and division of labor*”. Wherever and whenever individuals produce value for both themselves and for others, the theorems of catallactics apply with full force (von Mises, 1998, p. 646).

Within *CE*, catallactic feedback loops are not abstract. They are encoded in each resource request, dashboard metric, and budget pool. However, unlike conventional markets, the Estate overlays two justice constraints (see 2.2.4 “Distributive Justice Guides Allocation of Resources”):

Proportional Productive Equality (PPE): Each member performs work that aligns with her or his nature-based suitability ($W_i \approx N_i$).

Proportional Recipient Equality (PRE): Each member receives goods, royalties, and equity in proportion to her or his rightful entitlement ($G_i \approx E_i$)

Together, these constraints transform *CE* from a coordination system into a moralized market—one in which *meaningful work* and *distributive justice* co-produce regenerative innovation—innovation that not only creates value, but restores, elevates, and harmonizes the human, ecological, and institutional systems from which it emerges.

To demonstrate the effects of catallactics and distributive justice, Section 3 addresses:

3.1. *Quantitative Illustration of PPE* — This subsection demonstrates how *CE* filters task assignments through nature-based suitability using a simple HITs scenario.

3.2. *Quantitative Illustration of PRE* — This subsection shows how *CE* allocates rewards in proportion to documented contribution.

3.1 – *Quantitative Illustration of PPE*

Let us recall that Figure 1 is a basic CLD Jack-Jane-Sarah (JJS) combinatorial system heuristic model for creating a kugeln that is more unique, more attractive, and tastier (necessitating factors) than the current Reber Kugeln. Based on this, the JJS HIT identifies the following issues to address in regards to these necessitating factors:

- (1) **Ingredient Complexity** — Requires R&D (*Jane*) precision to test cocoa ratios, emulsifiers, and flavor infusions
- (2) **Production Constraints** — Demands manufacturing (*Jack*) expertise to optimize batch consistency and machinery calibration

(3) Market Differentiation — Calls for marketing (*Sarah*) insight to design packaging, run taste panels, and position the product

Via the HITs AI Platform (Reber, 2025b, 2025d), each member submits a resource request aligned with one of the above factors (verified by HITs AI and double-verified by a human, e.g. Estate Steward). **Jane** (R&D) requests pilot-batch trials and ingredient analyses. **Jack** (Manufacturing) requests production-line scheduling and machinery setup. **Sarah** (Marketing) requests consumer taste panels and gift-pack design workshops. Figures 4 and 5 illustrate this resource verification and allocation dynamic.

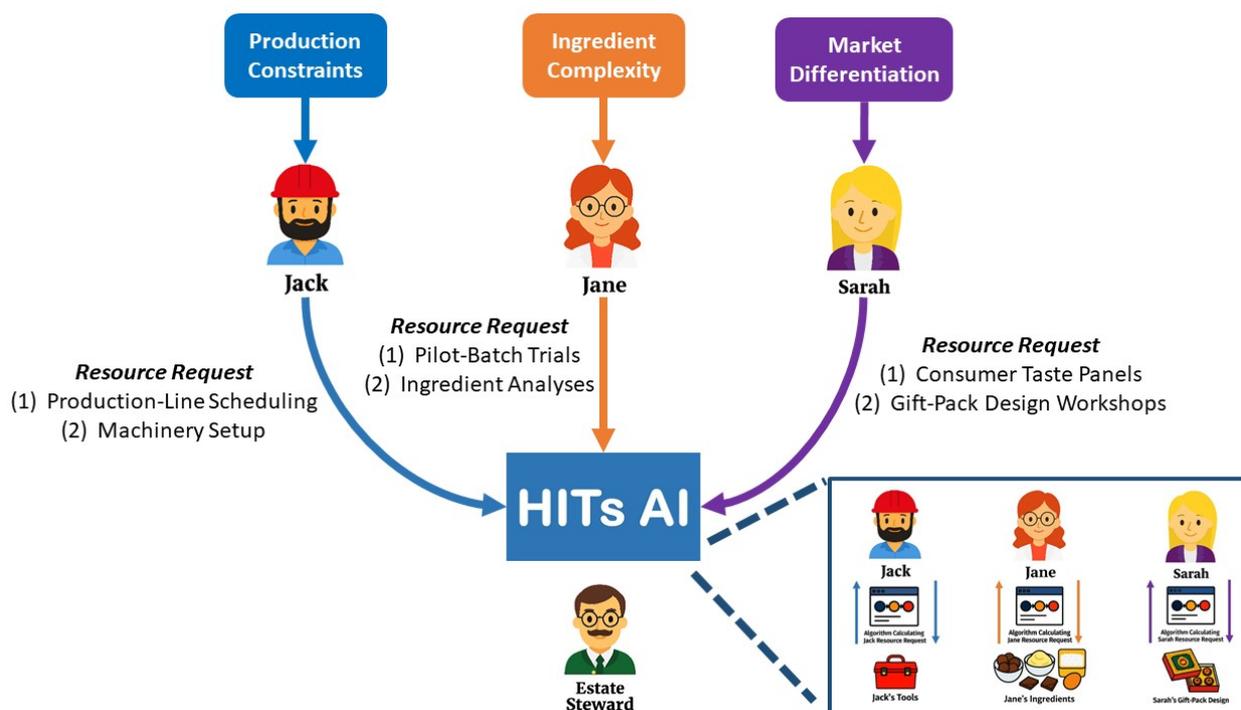


Fig. 4 – PPE Resource Verification & Allocation Dynamic for the JJS Kugeln HIT

Double-verification utilizes a PPE filter to ensure each task aligns with the member's nature-based suitability applying a PPE equation (algorithm) via HITs AI as follows:

We define for each "member i ":

N_i = nature-based suitability (expertise rating, i.e. how well member i 's strengths match the task)

W_i = task complexity assigned to member i

W_i / N_i = the ratio of task complexity to personal suitability

PPE holds if: $0.8 \leq W_i / N_i \leq 1.2$

This ratio tells us whether someone's task is too hard, too easy, or just right. If the ratio is:

- **Below 0.8** → Task is too simple for member i 's abilities (member i is underutilized)
- **Above 1.2** → Task is too complex for member i 's strengths (member i is misassigned)
- **Between 0.8 and 1.2** → Task is well-matched to member i 's "nature" (PPE is satisfied)

This range (0.8 to 1.2) was chosen as a reasonable tolerance band—not too strict, not too loose. It allows for natural variation while still enforcing alignment.

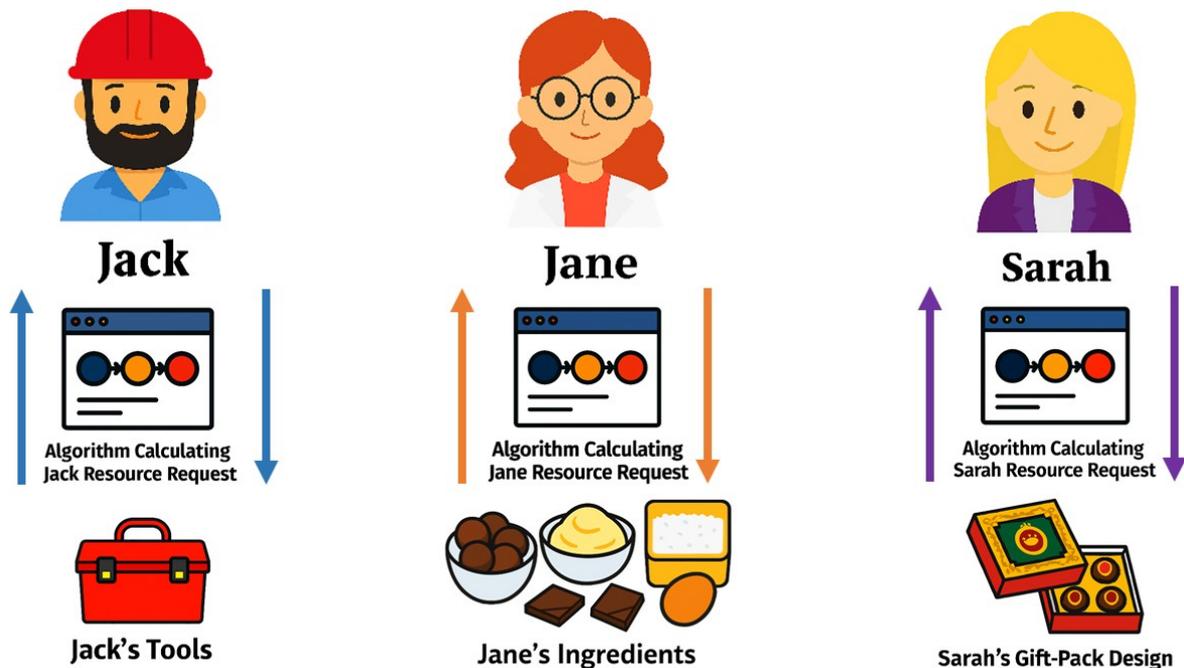


Fig. 5 – PPE HITs AI Algorithm for the JJS Kugeln HIT

The values for N_i and W_i in Table 2 are hypothetical but realistic. They are based on the three *necessitating factors* of the chocolate kugeln innovation:

- (1) **Ingredient Complexity** → Handled by Jane (R&D)
- (2) **Production Constraints** → Handled by Jack (Manufacturing)
- (3) **Market Differentiation** → Handled by Sarah (Marketing)

Each member's "expertise rating (N_i)" reflects her or his depth of experience and fluency in her or his respective discipline. For example, Jane is highly skilled in R&D, so we assign her an expertise rating of "9"; Jack is solid in manufacturing, so he gets an "8"; Sarah is strong in marketing, so she gets a "7".

In addition, each member's "task complexity (W_i)" reflects how demanding her or his assigned work is in this specific HIT. For example, Jane's ingredient trials and emulsifier tests are complex: " $W_i = 8.5$ ". Jack's machinery calibration and batch optimization are moderately complex: " $W_i = 7.2$ ". Sarah's packaging design and taste panel coordination are slightly above her baseline " $W_i = 7.7$ ".

These numbers are not random. They reflect the real-world demands of the kugeln innovation and each member's respective discipline. This is another reason the HITs AI Platform is vital for workforce development. It can objectively, efficiently, effectively, economically, ethically, and most quickly quantify people's nature-based suitability for roles and teams, ensuring the HITs Tripartite Model of Human Dignity, Creative Work, and Holarchical Combinatory Value-Creation is actualized. Let us assume the following for each person in Table 2.

Table 2 – PPE Alignment in the JJS Kugeln HIT

Member	N_i (Expertise)	W_i (Task Complexity)	W_i / N_i
Jane	9	8.5	0.94
Jack	8	7.2	0.90
Sarah	7	7.7	1.10

Validation

Each ratio falls within the PPE band of 0.8 to 1.2:

Jane: 0.94 ✓ Satisfied

Jack: 0.90 ✓ Satisfied

Sarah: 1.10 ✓ Satisfied

Therefore, PPE is satisfied: $0.8 \leq W_i / N_i \leq 1.2$ for all members i

3.2 – Quantitative Illustration of PRE

Now that we have verified that each member of the JJS Kugeln HIT is performing work aligned with her or his nature-based suitability (PPE), we turn to Proportional Recipient Equality (PRE)—the principle that each member receives goods, royalties, and equity in proportion to her or his rightful entitlement. (*Note:* Readers unfamiliar with symbolic logic or reward verification may wish to review Subsections 2.2.4, 2.3.4, and 3.1, as well as Figures 6 and 7, which provide foundational context for the PRE algorithm described below).

Let us recall the PRE equation:

$$\text{PRE} \Leftrightarrow G_i \approx E_i \quad \forall i \in \{A, B, C\}$$

where:

G_i = Goods and utilities received by member i

E_i = Entitlement of person i to those goods

\approx = “approximately equal” — the received goods match the member’s rightful share

$\forall i \in \{A, B, C\}$ = Applies to all members of the HIT.

In practice, *CE* uses a PRE filter to ensure that rewards—such as royalties, equity, and recognition—are distributed in proportion to each member’s documented contribution and entitlement. This filter is applied via the HITs AI Platform and double-verified by the Estate Steward.

Let us define for each member i :

C_i = Contribution score (based on micro-effect metrics, task completion, peer feedback, and innovation impact)

E_i = Entitlement score (based on role, prior agreements, and nature-based alignment)

G_i = Goods received (royalty percentage, equity share, or other reward)

We calculate the PRE ratio as:

$$G_i / E_i$$

PRE holds if:

$$0.85 \leq G_i / E_i \leq 1.15$$

This tolerance band allows for slight variation due to timing, externalities, or rounding, while still enforcing proportional justice.

Let us assume for the JJS HIT that Jane’s contribution was highest due to successful ingredient trials and flavor breakthroughs; Jack’s contribution was solid, with efficient machinery setup and batch consistency; and Sarah’s contribution was strong, with elegant packaging and successful taste panel coordination.

Each member’s “entitlement score” reflects her or his role, nature-based alignment, and pre-agreed royalty/equity share.

Figure 6 illustrates the PRE rewards verification and allocation dynamic for the JJS Kugeln HIT. It mirrors the style of Figure 4 and shows how the Estate Steward verifies each member’s reward request against her or his entitlement score.

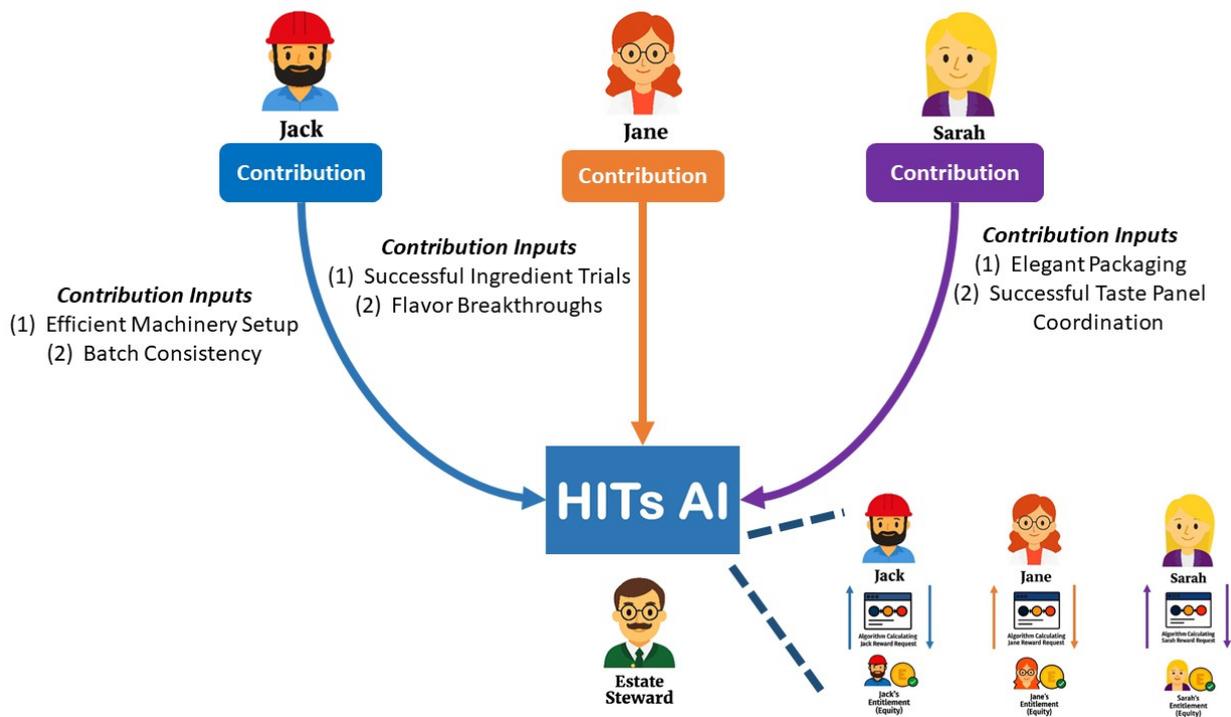


Fig. 6 – PRE Rewards Verification & Allocation Dynamics for the JJS Kugeln HIT

Next, we apply the PRE filter algorithmically. Figure 7 illustrates the PRE HITs AI algorithm for the JJS Kugeln HIT. It mirrors the style of Figure 5 and shows the algorithm calculating G_i / E_i for each member and verifying whether the ratio falls within the acceptable band.

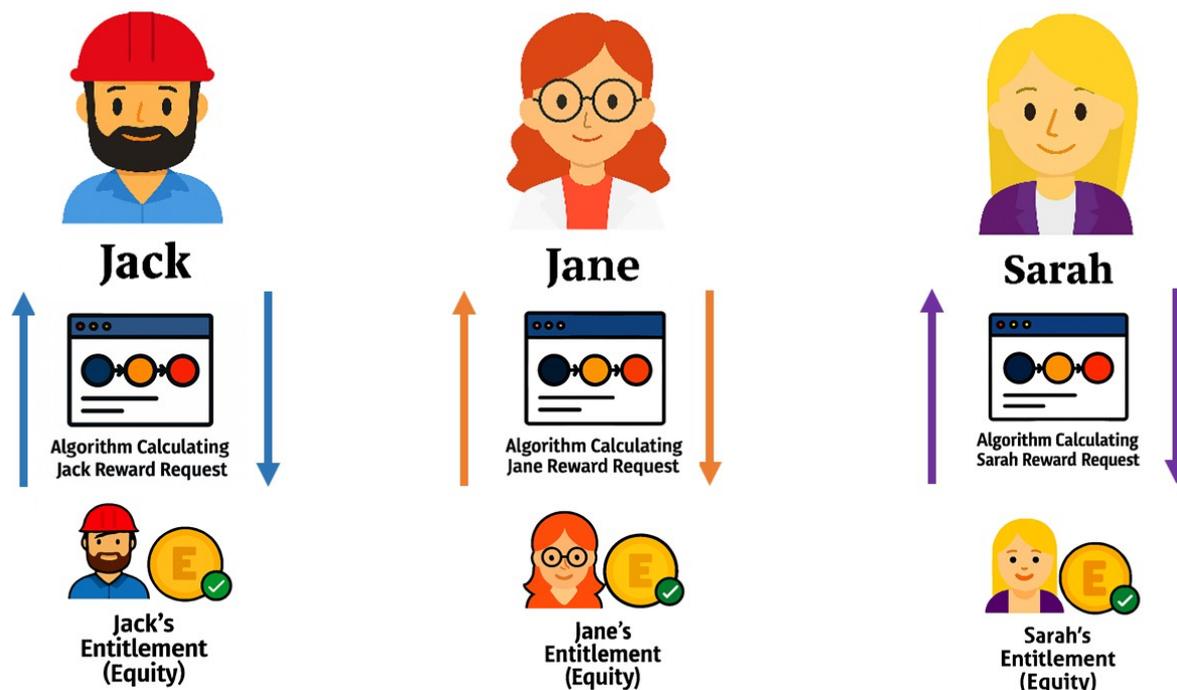


Fig. 7 – PRE HITs AI Algorithm for the JJS Kugeln HIT

Below is a hypothetical but realistic table of PRE alignment:

Table 3 – PRE Alignment in the JJS Kugeln HIT

Member	E_i (Entitlement)	G_i (Goods Received)	G_i / E_i	PRE Status
Jane	40	38	0.95	✔ Satisfied
Jack	35	36.5	1.04	✔ Satisfied
Sarah	25	26.5	1.06	✔ Satisfied

Each ratio falls within the PRE band of 0.85 to 1.15. Therefore, PRE is satisfied and each member receives goods approximately equal to her or his rightful entitlement. This quantitative illustration demonstrates how CE operationalizes distributive justice—not merely through idealistic claims, but through algorithmic verification, human oversight, and transparent reward mechanisms.

4 – Conclusion

In this paper, the author provided a theoretical application of Holarchical Innovation Teams (HITs), specifically addressing HITs free market catalactics and distributive justice within the Corporate Estate (CE) model.

To summarize, *CE* offers a living framework—the pinnacle of human civilization—in which HITs self-organize, create value, and receive rewards in proportion to their nature-based suitability and documented contribution. Through the dual constraints of Proportional Productive Equality (PPE) and Proportional Recipient Equality (PRE), *CE* transforms market coordination into a moral architecture—one that honors human dignity, creative work, and the complementarity of personal excellences.

Furthermore, the paper demonstrated how *CE*'s algorithmic filters, human oversight, and ceremonial governance co-produce regenerative innovation. In *CE*, governance is ceremonial not in the sense of pageantry, but as a *moral and symbolic practice*—where roles, rituals, and spatial holarchies embody the values of dignity, excellence, and mutual flourishing. The Estate Steward serves not merely as a manager but as a moral witness; the “recombining register”—*CE*'s ceremonial ledger that logs micro-effects, recombining inputs, and chance events—functions as both a symbolic archive and operational interface; and quarterly micro-effect reporting becomes a ritual affirmation of work and worth. Figures 1 through 7 illustrated how micro-level behaviors generate macro-level value, and how reward verification mechanisms ensure that each member is matched with rightful compensation. The JJS Kugeln HIT served as a heuristic model for operationalizing distributive justice in real time.

In closing, HITs within *CE* are not merely economic actors—they are moral agents of value-creation. By embedding catalactic feedback loops within a holarchical paradigm, *CE* offers a blueprint for institutions seeking to align innovation with justice and productivity with purpose. The model presented herein invites further empirical testing, architectural refinement, and philosophical dialogue as we move toward a civilization of mutual flourishing.

Future discussions may explore:

(1) how *CE*'s intellectual property pathway and budget architecture operationalize market justice through real-time feedback and entitlement verification;

(2) the dynamics of multiple HITs operating concurrently within a *CE*, including recombining signals, cross-team synergies, and governance scalability; and

(3) the global impact *CEs* may have in actualizing distributive justice—particularly through the M2 money supply's capacity to scale nature-based work matching, entitlement verification, and regenerative investment across diverse cultural and institutional contexts. These inquiries will deepen our understanding of *CE* not merely as a theoretical construct, but as a living system capable of sustaining the pinnacle of human civilization.

5 – References

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