



IDAHO REGION II STABILIZATION PLAN



Annex L

EMERGENCY ECONOMIC STABILIZATION

This annex gives guidelines on establishing a local economy in a catastrophic event affecting the national or global economy.

Co-Leads:

- Chief Elected Officials
- Law Enforcement

Partners: Annex Coordinators

INTRODUCTION

One of the most complex societal systems is the financial system, due to its close interdependent relationship with all aspects of society. From basic barter to international trade, sound financial systems are necessary to provide social and physical stability.

During a catastrophe, there is a high likelihood that the financial system will be severely disrupted or collapse. The local government will be tasked with implementing emergency economic stabilization measures.

SCOPE

1. The first priority will be to provide food, water, security, shelter, and healthcare. The instructions for each task are outlined in their respective annexes. This annex provides guidance in recruiting the community to work together to provide these critical needs.
2. The second priority will be to establish long term economic solutions which will provide greater stability for the community.

SITUATION AND ASSUMPTIONS

1. Emergency economic stabilization may be required if any of these conditions are met:

- A catastrophic event severely disrupts or collapses the financial system
- A major system in the critical infrastructure fails (such as communications or electricity)
- The financial system itself is severely disrupted or fails

2. Potential impacts of a severe disruption or failure of the financial system include:

- Widespread unemployment
- Loss of trust and confidence in currencies and governments
- Scarcity of goods
- Reduction of services

3. Federal guidance is expected and may include measures to protect financial assets and to have access to money and credit for essential purposes.

4. In the event of severe degradation or failure of the financial system, recovery will most likely begin at the local level, with national economical stabilization following much later.

POLICIES

1. Scarce resources, such as manpower, fuel, and time, must not be dedicated to repairing the financial system until the more pressing needs of food, water, shelter, healthcare, and security are met within the community.

2. Anything owned by an individual or household for their own use is their property and must not be confiscated, even for a perceived 'greater good'. Local government control of individual/family assets is only available under voluntary agreement with the owner(s). If a family is in residence, then a family farm will be considered private property.

3. Federal guidance may identify critical resources in the private sector which will come under government control. In the absence of federal guidance, local government will need to make these decisions.

4. All supplies of essential items to be distributed to individuals must be bought under the rationing system described later in this annex.

CONTROLLING ESSENTIAL RESOURCES

Should federal directives impose economic controls, they will be instituted and administered by local governments. This must be done immediately to ensure maximum equity in the availability and distribution of essential items. Example essential items could include seeds and pipe for irrigation. Again, the only essential resources that may be appropriated are those available for sale, not anything privately owned.

If it becomes necessary to appropriate resources from companies, inventory lists will be created for both parties, for future compensation.

Until federal guidance is received, the following measures will apply:

1. To save time, a store inventory sheet will serve as an itemized list and it is assumed that the local government is taking all the supplies in the store. At the end of the crisis, any items that are not used by the community will be returned immediately and can be marked off the inventory sheet then.
2. To prevent abuses following appropriation, an appeal process will be established, with final resolution by a panel of three chief elected officials and two citizens.

AUTHORITY

Authority for Emergency Economic Stabilization actions is expected to come from national directives. However, under martial law, chief elected officials represent both state and federal government and may have to assume some of their roles and responsibilities until events stabilize.

IMPLEMENTING EMERGENCY ECONOMIC STABILIZATION

In the event of a catastrophe that includes a financial system collapse, a new economic system will need to be created on the local level. The local government will become the main employer in the area until full stabilization of the region is achieved. This will result in a centrally controlled economy with most citizens as part time employees. A ration/coupon system for the purchase of goods and share of governmentally controlled assets will be the substitute currency to compensate workers.

This plan is only activated in the event of a national emergency and attendant local disaster/emergency declarations

Key components of economic stabilization are:

- Community building
- Employment
- Compensation
- Shelter concerns

Community Building

Community building is the goal of this plan. In this context, the extraordinary measures taken must address short-term survival while laying the foundation for sustainability. We need to shift popular sentiment from assigning blame to positive action in order to take care of basic needs and rebuild the community.

Various financial quandaries will arise during a catastrophic event. Of immediate importance is quickly establishing record of ownership for any materials that are appropriated or moved off a business site for protection, such as medical supplies. During recovery, additional questions will be presented, such as how to rebuild the community if there is a loss of faith in traditional monetary vehicles.

A practical solution is for local government to become the principle employer in the jurisdiction. Compensation will allow each household to take care of their basic needs and rebuild the community. This is called the “Rebuilding Our Community Program”. Each household will be responsible for putting in a specific amount of work per week to bettering the community. This can be accomplished through any activity that helps rebuild the community from assembling water pipes, removing rubble, assisting medical personnel, working in the community garden, patrolling the area, and so forth. The household, in return, will receive benefits from the community, such as food, medical care, clean water, etc.

Each household will benefit and each person will then have a physical and psychological stake in their community’s future. This will help ensure the continuation of the community, will stabilize the region, will forestall problems that occur from neglected work (cholera epidemic from unclean water, for example), and will help forestall civil unrest.

Accommodations or exemptions will have to be provided for in specific circumstances where there are no capable adults due to injury, infirmity, age, and the like. Exemptions should be rare. However, the excluded will still have a full stake in the community and be entitled to its benefits.

Early origins for this concept can be found in colonial America, when each household was required to contribute to the community as a requisite for membership in that community. More recently – in the depression of the 1930s – some property owners worked off their tax debt by doing community projects, such as road maintenance. As an example implementation during a catastrophic event, citizens will be expected to provide a specific number of hours of community work every five days. The time required will vary with seasonal demands and community needs.

Employment

The labor force to provide the critical needs of citizens (food, water, shelter, healthcare, and security), comes from the community work each household does. There are several potential opportunities for community contribution to fulfill community work. For example:

- Government workers will continue to work, and will likely be reassigned to tasks associated with this stabilization plan. As much as possible, citizens should be assigned tasks according to their experience in the private sector. For example, citizens who maintained swimming pools as a business can be assigned to water purification teams. To shorten work hours, selected community members will be cross-trained in critical jobs. This will allow all participants to have enough time to tend to their families and develop their own sustainability projects such as gardens.
- Essential positions (such as healthcare and mental health) will continue to work. Depending on actual conditions, these fields may be expanded to include holistic medicine practitioners, wellness activities, elder care, etc.
- Government may take over manufacturing facilities that are closed. Timing and production would depend on demand, resource availability, and infrastructure condition. Previous employees would possibly work reduced shifts.
- Citizens may be tasked to work on projects directly benefiting neighborhoods and/or the community. These include:
 - Membership on a Neighborhood Emergency Team (NET)
 - A wide range of activities described in the food annex (such as community gardens)
 - Activities described in the law enforcement and security annex
 - Facility construction and maintenance projects
- Teaching: Example courses are in Annex M: Education
- Childcare or eldercare

Compensation

In a collapse environment, people are the most important and valued resource. All citizens will contribute to and receive the benefit of essential services. Ration cards are used for two circumstances:

All food is allocated using ration cards. These cards may be for food products (for home preparation) and/or for eating prepared meals.

Those who have their own food and/or work extra hours, receive general purpose (GP) ration cards. Each GP ration card is worth one hour of work. These can be used for trade when relative stability is achieved. Valuation will need to be determined based on needs and available resources as the community becomes more self-sufficient.

Detailed operating instructions for the ration card system are in Annex O: Administration.

Shelter Concerns

It is preferable that people stay in their own homes. However, in the event of a catastrophic event, rent, mortgage, and property taxes will not be able to be paid. In order to stabilize the situation immediately, chief elected officials should place a moratorium on rent, mortgage, taxes, and any real property transfer. This moratorium should remain in effect until:

- Federal/state guidance is received, or
- Relative stability is achieved

Renters and owners retain the responsibility for property maintenance as resources are available. Each jurisdiction should establish a property management board to resolve conflicts of property use and maintenance. The rent board should be comprised of tenants, landlords, and the general public, to ensure all interests are represented. The jurisdiction's chief elected official will appoint one member to act in an executive capacity for this board. It is recommended to appoint the county assessor as an advisor to the board.

Mass sheltering property is discussed in Annex F.

EMERGING ECONOMIC CONSIDERATIONS — BARTER SYSTEMS

Trade has always been a part of human history and will be invaluable in rebuilding the community. Encouraging citizens to create and find resources to trade will give citizens a focus and a feeling of control in their lives. Bartering – trading one product, skill, service, or information for another – is the earliest form of trade.

Bartering systems can be expected to operate at three expanding levels:

- Individual-to-individual.
- Neighborhood: Neighborhoods can establish regular “swap parties” where those in the immediate vicinity can barter.
- Community: Larger barter parties might be considered. These might be held at fixed times/locations, with vendors offering a wider selection of trade goods/services.

Local government should support and facilitate the emerging barter system.

CONCEPT OF OPERATIONS

Chief Elected Officials of each jurisdiction oversee the economic stabilization programs to ensure proper balance and controls are in place. Maintaining civil order relies on the willingness of citizens to work together to meet the needs of the community and the individual. Combined with local government leadership, this common purpose helps foster psychological stability in the community, and diverts nervous and frantic energy to useful purposes.

PREPARATION

____ Annex coordinators:

- ____ Identify and prioritize the critical functions and number of people (including special skills) needed to accomplish the purpose of your annex
- ____ Identify potential areas for community participation, such as community food plots, etc.

____ Annex N (Legal Issues):

- ____ Research legal issues regarding the use of community/regional currency as legal tender in the event of no post-catastrophic event guidance from the federal government
- ____ Identify candidate assets of intrinsic value that could be used for tangible backing of currency

____ Annex O (Administration):

- ____ Prepare forms to record transfer or use of assets
- ____ Prepare and secure ration cards

____ Annex K (NET Teams):

- ____ Provide preparedness education to households, including barter goods for emergency trades
- ____ Help neighborhoods organize for community cohesiveness and disaster resilience

RESPONSE

The following actions are for consideration based on national policy guidance. In the absence of specific guidance, take actions to further national objectives.

- ___ Complete “Initial Response Actions” in Annex A: Governance

- ___ Chief Elected Officials: Enact a moratorium on the payment of financial obligations:
 - ___ taxes
 - ___ debts
 - ___ rents
 - ___ mortgages
 - ___ insurance (both claims and premiums)
 - ___ interest

- ___ Annex O Coordinator:
 - ___ Document transfer or use of assets. Use inventory lists or existing forms
 - ___ Record completed forms
 - ___ Prepare to distribute ration cards as directed by chief elected officials
 - ___ After appropriation of resources:
 - ___ Assist chief elected officials to create an appeals panel for appropriation issues
 - ___ Advise chief elected officials on resource matters

- ___ All Annex Coordinators:
 - ___ Assign a staff member dedicated to community work assignments
 - ___ Determine and prioritize work requirements for your annex

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____ NET Manager (Annex K): Obtain personnel information from NET Team leaders:

____ Information about each household (names, ages, relationship, etc.)

____ Skills and any licenses or certifications

____ Any limitations on availability

____ Coordinate work assignments in conjunction with annex coordinators

____ Chief elected officials and annex coordinators: Weekly, monitor the hours worked by employees in your respective annexes. See Annex O Coordinator (Administration and Resource Management) for additional personnel to resolve inequities.

____ Facilitate bartering:

____ Provide public education about bartering. NET Teams distribute bartering guidelines at Appendix 1

____ Provide locations and schedule for community bartering (large parking lot, fairgrounds, senior center, community center, etc.)

____ Provide security at community bartering locations

____ Select an organization to administer the community bartering system, such as legal staff from the local court system. The barter administrator acts as a clearinghouse between traders – helping to link up the parties, and settle disputes/mediation

Appendix 1 – Bartering Guidelines

1. Have/keep barter goods in place for emergency trades. Consider:
 - High demand items
 - Not easily manufactured at home
 - Can be broken down into small portions for small trades
 - Brand names for easy recognition
 - Skills/services
2. Inventory what you already have stored or don't need.
3. Place a value on each item to be swapped, so you can compare items that are offered to you.
4. Use local media where people have personal items for sale. Make it clear you want to swap and be specific about what you want to swap for in return. Meet in a neutral location and bring someone as a witness.
5. Swaps for major items should require proof of ownership and a Bill of Sale to show the buyers' and sellers' information.
6. Hold a swap party in your home/neighborhood. A good way is theme-oriented, such as baby clothes/gear - e.g., each bring 10-30 items – cleaned, safe, and packaged.
7. If doing a services exchange, write down the agreement: what will be traded, when, and how.
8. Keep good records of the exchange, including who, what, and when. Provide copies for both parties. Establish deadlines for completion of services. Consider a neutral person to monitor all contracts, such as legal staff from the local court system.