THE SOVEREIGNTY OF CREDIT

The Making and Unmaking of the Financial Constitution

Dr. Bichara Sahely

The Conditional Recovery

The island is **politically sovereign.**
Its recovery is **financially conditional.**

From Intermediation to World-Making

Passive Intermediation

- Transfers pre-existing savings.
- Prices objective risk.
- Neutral allocator of capital.

Active World-Making

- Creates purchasing power through balance sheets.
- Shapes what becomes productive.
- Authors the material structure of the future.

Finance does not simply select among futures already waiting to be funded.
It helps create the social field from which those futures emerge.

The Flow of Time to Power

The future does not contain a warehouse from which money can literally be withdrawn. Credit performs a conversion: anticipated future capacity becomes present command.

[Temporal Sovereignty: The capacity to determine which futures may be brought forward, and which obligations will be carrie

The Invisible Architecture of Claims

Every financial claim ultimately rests upon capacities outside the financial system.
Behind every balance sheet lies a living world.


The Great Financial Inversion
Compound Financial Claims
Derivative Markets
Debt Obligations
Speculative Leverage
Finance begins as a means of coordinating life across time.
It becomes life-incoherent when the preservation of claims takes precedence over the capacities from which those claims derive value.
“When harm cannot enter the balance sheet.”
Ecological Limits & Human Labour
NotebookLM

The Financial Power Stack

CENTRAL BANKS
Monetary / Sets Rules

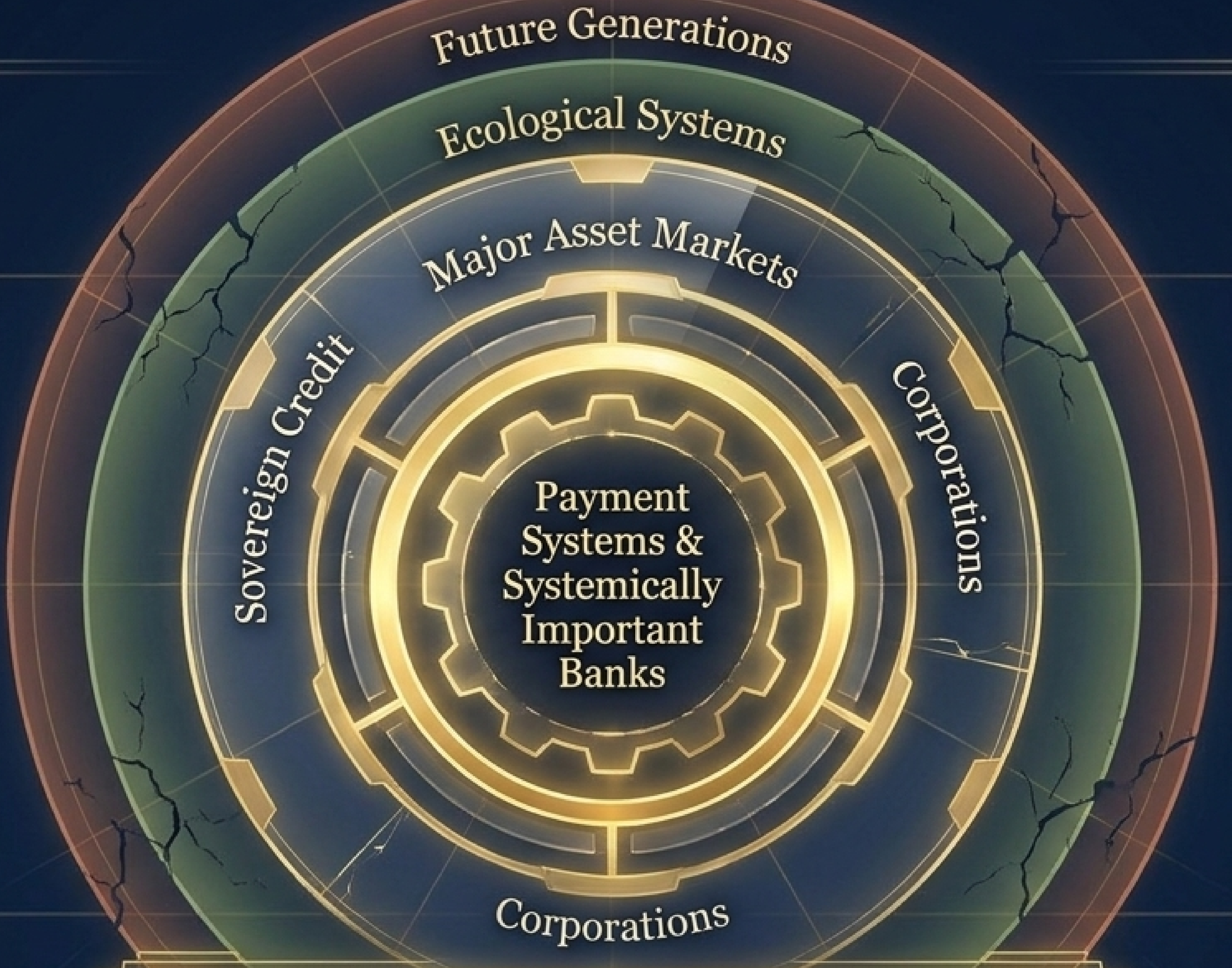
GLOBAL FINANCIAL INSTITUTIONS
Allocative / Distributes Liquidity

COMMERCIAL BANKS & SHADOW FINANCE
Valuation / Creates Credit

MARKETS & INVESTORS
Disciplinary / Allocates Capital

CORPORATIONS
Infrastructural / Extracts Value

THE LIFE-GROUND
Protective / Bears Consequences



Crisis reveals that financial claims are never purely private agreements. The response reveals society's unwritten constitution of priority.

A bank is recognized as too interconnected to fail.
A household is treated as individually responsible.
An ecosystem is treated as an externality.

Structure Without Conspiracy

No secret command center is required. Complex systems generate coordinated outcomes because institutions operate through shared rules, incentives, and dependencies.

Functional rationality at the institutional level generates irrationality at the level of life.

No mythical omnipotence.
No institutional innocence.

Diagnosing the Claim

Life-Credit

Definition:
Enables future life-capacity to exceed the obligations created in financing it.

Examples:
Preventive public health, regenerative agriculture, resilient housing, disaster preparedness.

Result:
Enlarges future freedom.

Dead Claims

Definition:
Entitlements preserved after their underlying life-serving purpose has disappeared or become extractive.

Examples:
Compounding debt on failed assets, speculative leverage, financial returns dependent on ecological depletion.

Result:
Preemptively colonizes the future.

The Life-Coherent Constitution

No financial claim is legitimate when its creation, protection or enforcement requires the avoidable destruction of life-capacity.

Ecological Limits

Valuations must recognize long-term life benefits and harms.

Democratic Allocation

Diversified credit through public, cooperative, and mission-oriented banks.

Proportionate Discipline

Adjustment burdens cannot endlessly be transferred to the most vulnerable.

The Freedom of the Future

From ownership of assets to authorship of futures.

The ultimate test of temporal sovereignty is this:
Does the financial architecture leave the future more capable of governing itself?

Credit can open the future. Credit can also occupy it.