

Doing Money Differently

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Bit of Bio here: <https://www.horizon.ac.uk/working-with-the-mema-3-0-project/>

This talk is based on a talk given at LARC in 2019, updated, cut down, and simplified:

<https://hughbarnard.org/doing-money-differently/>

All the slides will go on my website, so don't worry about making notes for the references, at least. Hopefully 20 minutes for talk 10 minutes for questions.

HEALTH WARNING: This is a short talk so not deep or complete!! Slightly better than a Tiktok video though.

Outline of Talk

Talk is divided into two parts:

- Skip through types of conventional money, manifestations and problems
- Some of the alternatives and complementary type of 'money' + directions/innovations

Monetary orthodoxy has four functions of money:

- **Measure of value** : The value (! see digression) of something is measured in a specific currency as units
- **Medium of exchange**: Widely accepted token which can be exchanged for goods and services
- **Deferred Payment**: It is the function of being a widely accepted way to value a debt
- **Store of value** : A store of value is the function of an asset that can be saved retrieved and exchanged at a later time and be predictably useful when retrieved.

Types of Money

- **Commodity backed:** tokens can be exchanged with the issuer for gold, compost (yes! Bangkok project), electricity etc. I haven't done 'pure commodity' gold coins, large round things etc.
- **Pure fiat:** This is money because 'we (! who we?) say it is' (enforced by state violence, if you want to be extreme)
- **Fiduciary Money:** The value of a fiduciary currency depends on the confidence that it will be generally accepted as a medium of exchange. Unlike fiat currency, it is not declared legal tender by the government, which means people are not required by law to accept it as a means of payment, cheques, if you remember those?
- **Commercial Bank Money:** Money issued as debt bearing by commercial banks. This is about 97% of issuance in the UK. One could roll that up into the fiat category because it arrives out of 'nowhere'.

Digression

- Philosophically there's a lot of difficulty about the nature of money, for example see: Social ontology of money (Stanford Encyclopedia): <https://plato.stanford.edu/entries/money-finance/>
- See also value theory: <https://plato.stanford.edu/entries/value-theory/> I'm with **Amartya Sen** value doesn't look like this {1}, it looks more like this {1,16,eggs,53,nice-colour}
- I'm also taking the view of a 'humane technologist' here. That we can design money-something(s) that give us better results for a wider population or revisit existing money-somethings.
- So my view is somewhat artifactual, 'we' (who we?) (or the state, for example) made it up and we can make it up again

We never step back and think about, it's like old wallpaper that we got used to.

Other Expressions of 'Money'

Do you feel radical today? Do you?:

- Local and regional currencies (Brixton Pound etc.), backed/unbacked convertible to national/or not
- Cryptocurrencies
- Specialised, (Loyalty points), Wellness, Torekes, a whole new talk in itself
- Timebanks (basically propping up charities and usually require a lot of conventional finance)
- Regional and business exchanges (SARDEX Sardinia, WIR Switzerland, Red Global de Trueque (RGT) Argentina)
- Mutual social credit, LETs and related

Let's Analyse!

Let's put some of these on the couch:

- **Locals and regionals** (Brixton, Totnes, both failed) are probably fiduciary since they can be changed back into national currency. Cryptos too?
- **Specialised tokens** usually have limited purchasing power, flights, hotels etc.
- **Timebanks** could be considered as locked down mutual social credit (hours, enforced equality) oriented towards 'volunteers' within 'charities' (Tempo, for example)
- Sardex/WIR **business to business** networks and currencies:
<https://www.ft.com/content/cf875d9a-5be6-11e5-a28b-50226830d644> Successful.
- **Mutual social credit** and LETS. 'Value' created at point of activity (orthogonal but hybrids possible) Biggest is CES: <https://www.community-exchange.org/home/cen-statistics/>

Let's also note that all of these are *complementary*, they live alongside national currencies.

Infrastructure, Innovation, and the Future

- Why do the 'pounds' (and other systems) fail so often?
- Limited offer for software (some renewal taking place, CES Rewrite (?), my own, Taler: <https://www.taler.net/en/ngi-taler.html>)
- Equivalent convenience to national currencies and 'contactless', low friction
- Alternative energy backed currencies
- Maslow mix within groups, usually plenty of crystal healers, no plumbers
- Government and Institution ambivalence: loss of control (timebanks)

Over to You

- There's space in the UK for thinking/acting in this space, even if it's less sexy than AI
- Mary Fee: using the middle ground between neighbours and strangers: Boroughs/Areas?
- Physical space required: the 'head office'/community space, lesson of Stratford timebank
- Tech innovation: Making (double coincidence of wants?) matching better, reducing transactional friction, reliable/simple infrastructure
- Give it a spin: 07356 234041

Endpiece: Thank You!

“...you and Harlow were shipwrecked on a desert island, and you saved nothing from the wreck but a bag containing a thousand sovereigns, and he had a tin of biscuits and a bottle of water...Who would be the richer man you or Harlow?” (From Robert Tressell’s *The Ragged Trousered Philanthropists*)

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