

Lesson 4: The alternatives?



Welcome to the final furlong!
Co-authors of the Money and Society MOOC
Matthew Slater & Jem Bendell

Optional 18 min recap: The Future of Finance, <https://www.youtube.com/watch?v=vWeQfNpW9sQ>



You don't need Money

WHAT HAVE YOU GOT?

We will take Anything

Banking Reform



The wealth of political cartoons reflects the attention that banking reform has in the mainstream

Islam & Credit



“Since paper-money is a promise of payment, can it be permitted to trust the issuers while they hold the payment (our property) outside our jurisdiction? History has also demonstrated repeatedly that paper money has been a permanent instrument of default and cheating the Muslims. In addition, Islamic Law does not permit the use of a promise of payment as a medium of exchange”
– [World Islamic Mint](#)



Gold Standard



Congressman Ron Paul [questions](#) Federal Reserve chairman Ben Bernanke - "Do you think gold is money?"



Max Keiser



Liberty Dollars cost their creator Bernard Von Nothaus his liberty

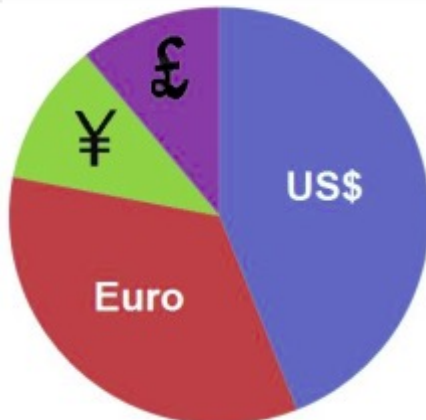
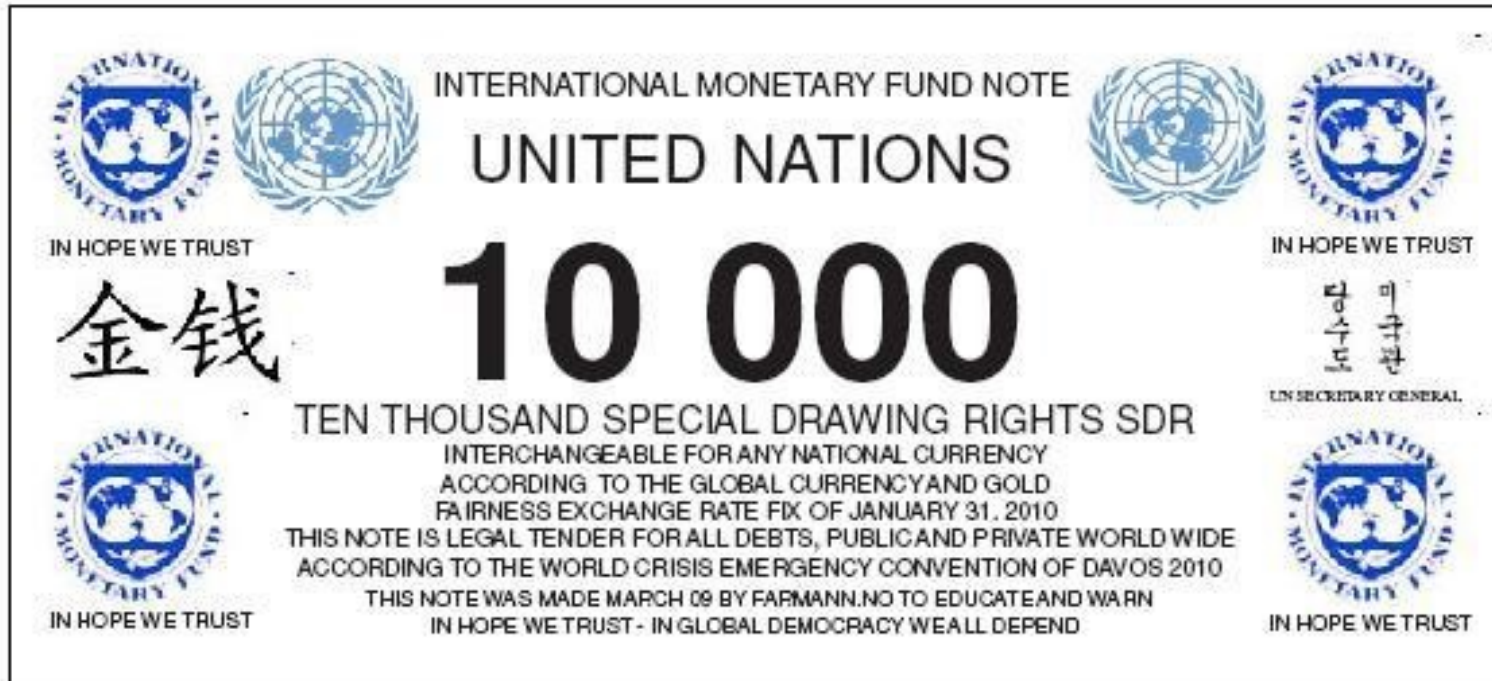


Free market money

Hayek, in receipt of the non-Nobel prize for Economics, a longer-living contemporary of Keynes, Hayek didn't become fashionable until the 1980s, after Keynesianism started to lose effectiveness.

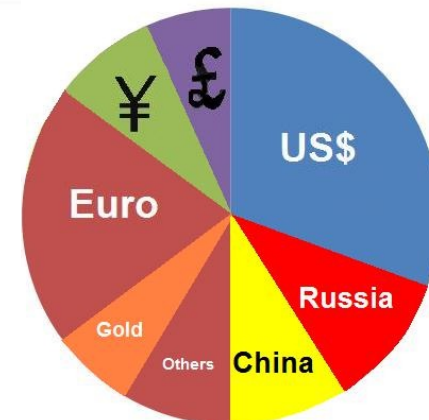


New World Currency?



Current SDR composition

EUR 1 = SDR 0.88
(June 2014)



Prospective SDR composition

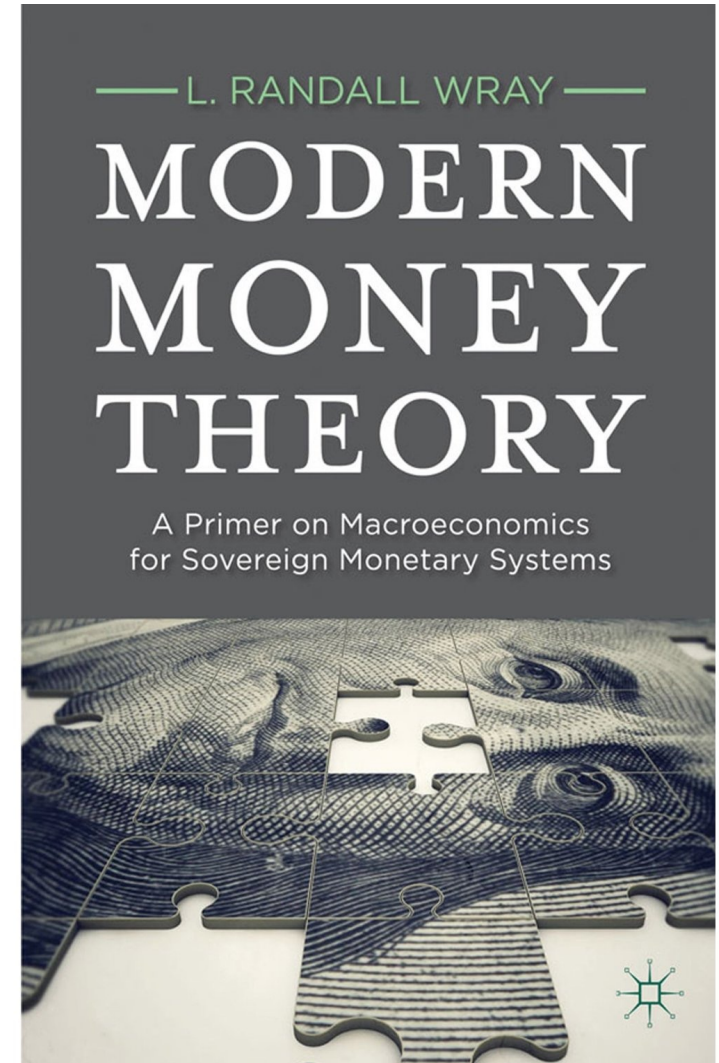


Neo-Chartalist Solutions

PositiveMoney 



**International Movement
for Monetary Reform**



Challenges for Monetary Reformers

- What kind of reforms would be needed to ensure the government could be trusted with monetary policy?
- How would the banking industry respond to losing the income stream from creating credit?
- Government issuance, banks at 100% reserve and onward lending guidance for money from government.



Consider reading [Basic Income Works](#)

Basic Income



**"UNCONDITIONAL
BASIC INCOME
IS NOT LEFT
OR RIGHT,
IT'S FORWARD."**

**BASIC
INCOME
GUARANTEE**



For how many months would you play video games if you had unconditional money? Then what would you do? Charity work? Supplement your income with a job? Who would clean the toilets and how much would they be paid? Would you appreciate other working people more? Would you tolerate unhelpful bosses, pointless or shoddy work, unethical practices, poor working conditions. Why do you think this idea has not been discussed in mainstream politics?



Monetary Ignorance



While engagement in public policy can and should continue, given the limited prospects for deep analysis and informed policy debate on monetary policy today, where else might reformers put their attention?



Complementary Currencies



An Ecopesa workshop in Kenya; local traders are holding up EcoPesa to see the watermark



Localised legal tender

Sometimes called 'local currencies'



By exchanging legal tender notes for locally issued notes, value is thus trapped in the local economy.



This could have beneficial effects on the local economy via the 'local multiplier affect' and it could aid with the narrow Transition relocalisation agenda, but does nothing for monetary reform.



Collaborative Credit (mutual credit)

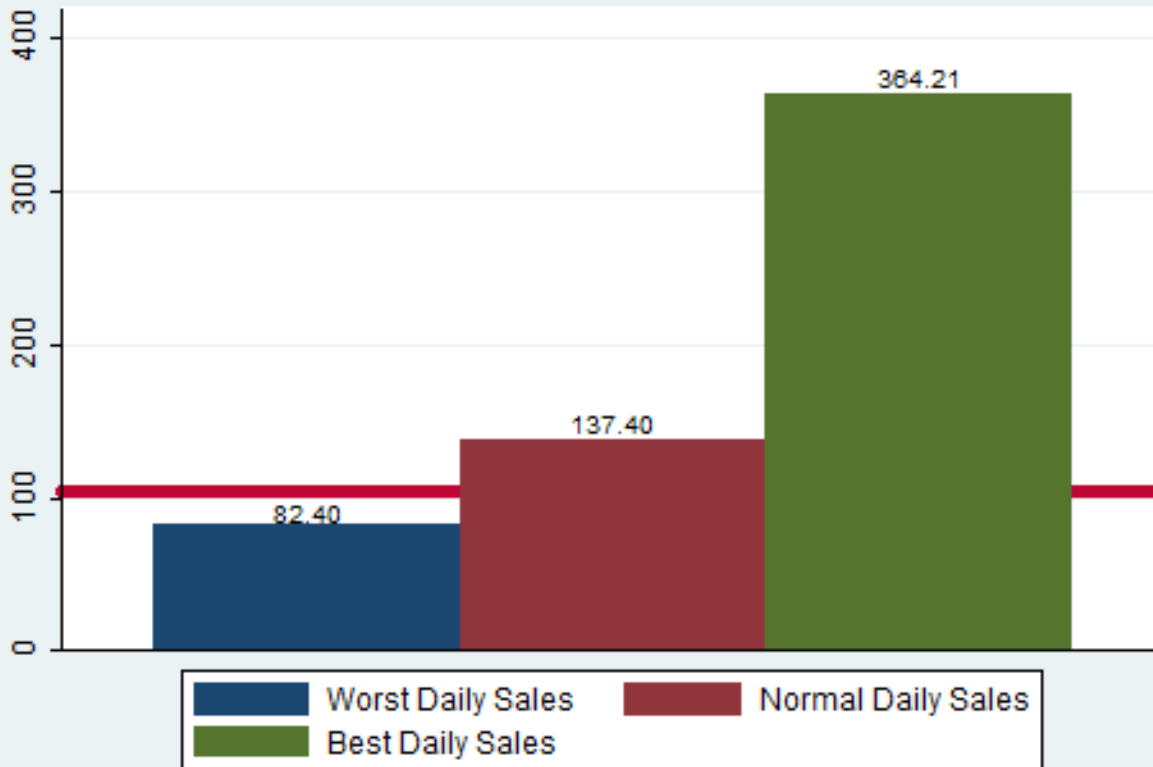
Collaborative or mutual credit is about
balancing

giving & receiving



Case Study in an Informal Settlement

Average Daily Sales by Family Size



- Lack of Social Services
- High levels of excess capacity
- Population below poverty line
- Extremely poor health conditions



- Local businesses regularly fall under the international poverty line.
- Yet they have the capacity for much more.



Concept and Theory of the Banglapesa



Launch

Launch May 11th 2013. 400 issued per participant (1-2-1 notional value with shilling). 200 as admin fee. 137 attended launch.

Video:

<http://www.youtube.com/watch?v=RmF8llVpi68&feature=youtu.be>



Initial Impact of the Banglapesa

Average daily sales in Bangla-Pesa represent 22% of the average daily sales reported by businesses in the baseline survey. At the very least, then, businesses were doing around 22% of their trades in Bangla-Pesa.

However, this number remained the same for those businesses who reported that their sales in Kenyan shillings had remained stable. **This suggests the 22% of daily trades done with Bangla-Pesa represent *additional* sales which might not have happened without this means of exchange** (at least for those 12 people whose sales in Kenyan shillings remained the same).

Since most people reported an increase in total sales, it's likely they are experiencing a similar increase in sales due to the use of Bangla-Pesa.

Given that we estimate businesses have an excess capacity which represents 144% of their average sales, just one week of Bangla-Pesa usage may have helped businesses owners achieve 15% of this potential increase.

Read more at:

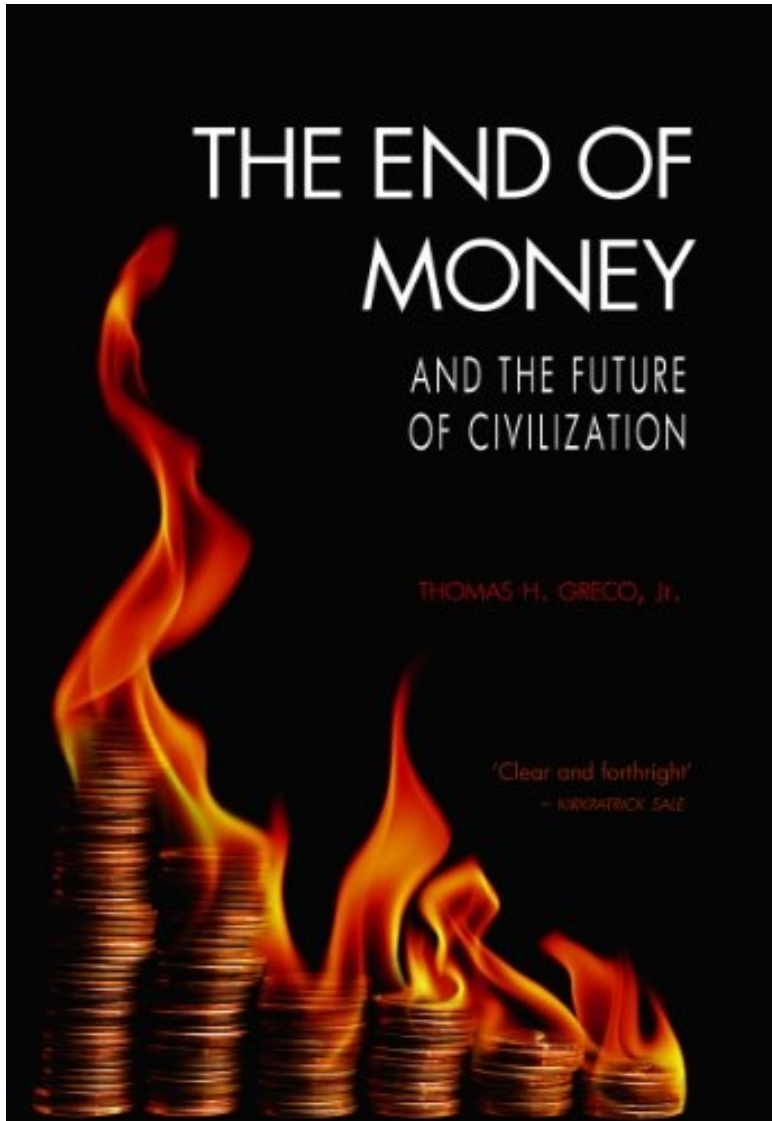
Ruddick, W., Richards, M. and Bendell, J. (2015) 'Complementary Currencies for Sustainable Development in Kenya: The Case of the Bangla-Pesa' International Journal of Community Currency Research 19 (D) in press <www.ijccr.net> ISSN 1325-9547
http://www.socioeco.org/bdf_fiche-document-2161_en.html







Credit Commons



MOOC authors with Tom Greco in Greece in 2012 summit of local currencies.

Now watch Money as Debt III Part 4-2 on Self Issued Credit

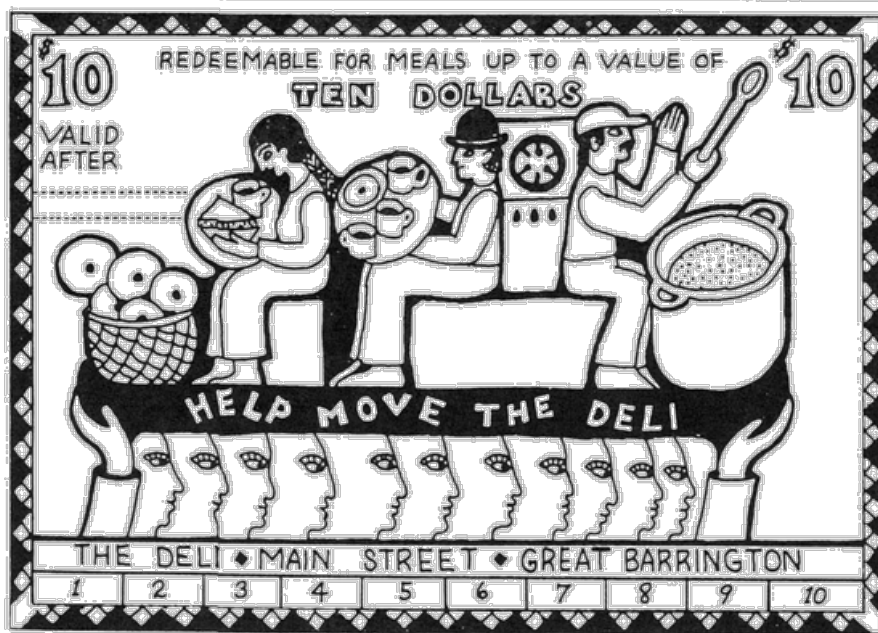
https://www.youtube.com/watch?v=-Z0V6vb_ayw

And then watch a presentation of the concept for [Digital Coin](#) (7 mins)

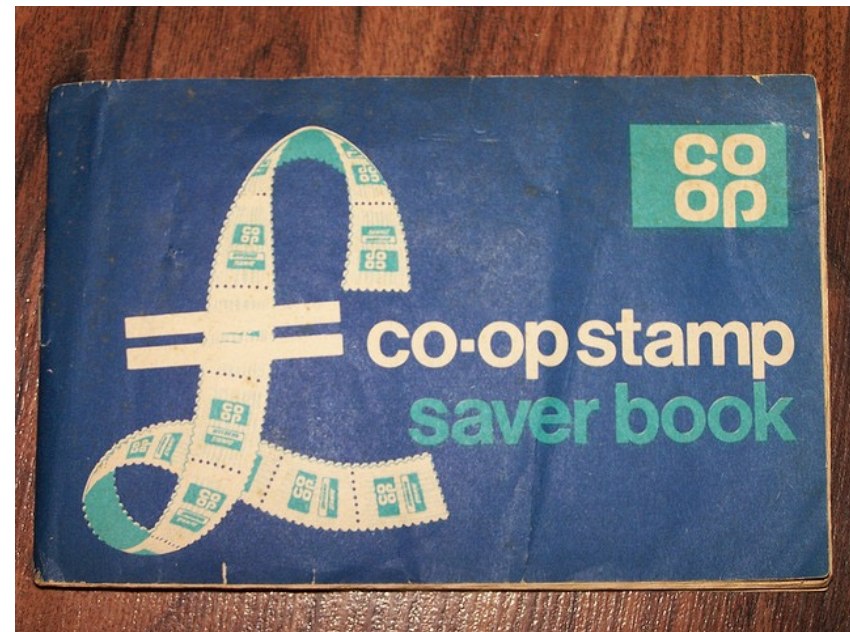


Self Issued Credit

The original Deli Dollars financed a change of premises. They sold for \$8 and were redeemable for \$10 in the new location.



In the 1970s the Coop supermarket customers would collect 'dividend' stamps from purchases and redeem them a book at a time for discounts.



Look at the Digital Coin proposal from the point of view of a Chamber of Commerce looking for a way out of recession. What advantages and challenges would you predict?



“Fintech”

Tomorrow's Transactions Forum 2015

Consult Hyperion's 18th Annual Forum - 18th/19th March 2015

Tomorrow's Transactions

Will be held at [The America Square Conference Centre](#), One America Square, London, UK.

Register now to secure your place - <https://payprocess.chyp.com/ttforum>

Some of our confirmed speakers include:

- Nigel Dodd, Author of 'Social Life of Money'
- Heather Schlegal, Futurist
- Kosta Peric, Bill & Melinda Gates Foundation

View the full agenda [here](#)

The Forum is now in its eighteenth year, and once again promises the combination of discussion and debate, learning and fun, that has earned it the reputation as the place to be for people interested in the future of electronic transactions. It continues to be a unique event, where interaction and invention replace product announcements and "death by PowerPoint" sales pitches.

This year we are again moving the agenda forwards to look at drivers along the social, business and technological axes of change. And the Forum will once again feature the annual Future of Money art competition, the #Money pub quiz and following on from the success of last year's Mobile Money Breakout we are going to have two half-day parallel sessions: Financial Inclusion Deep Dive and Crypto Currency Seep Dive. All delegates will receive a complimentary copy of The Tomorrow's Transactions Reader 2015.

Here's what people said about last year's event (feedback results available for inspection as necessary!) at the same venue:

"Very thought provoking, engaging, entertaining and unlike any other conference".



Bitcoin Basics



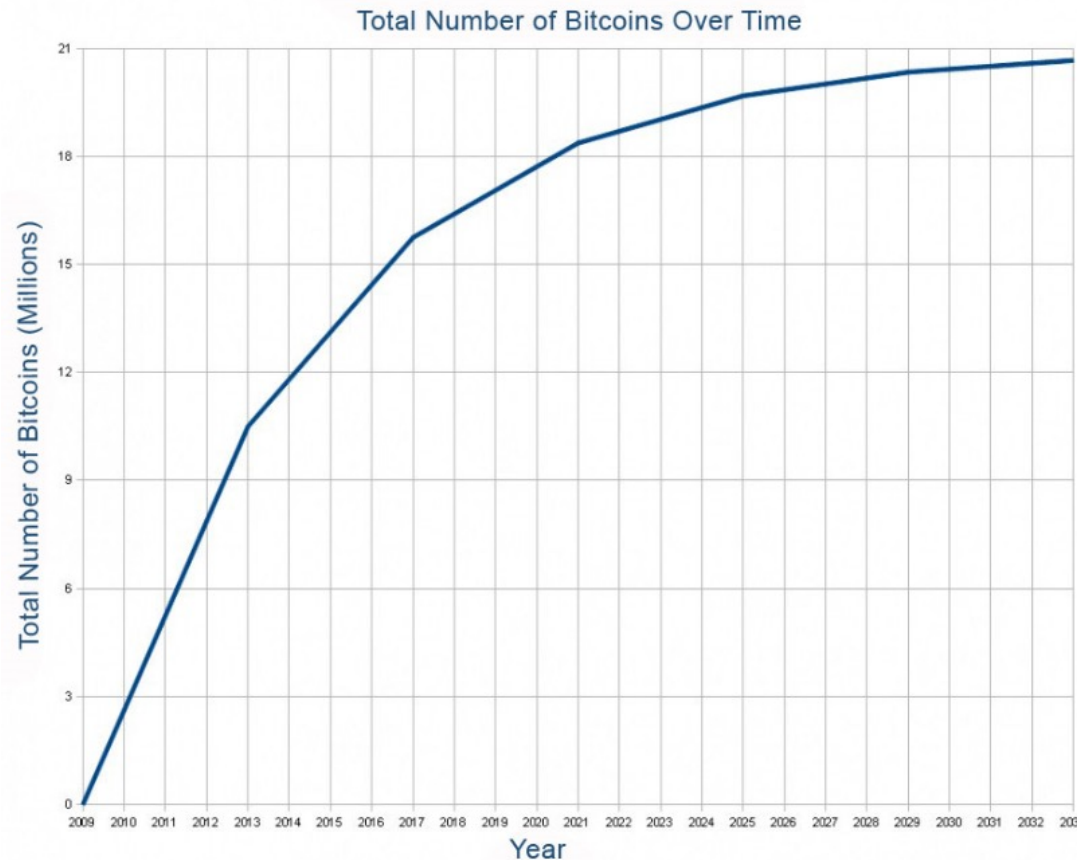
Don't be fooled by the frequent portrayals of bitcoin as metallic disks. A bitcoin is just a number in a range of numbers, and a wallet is another number. Owning a Bitcoin just means that you have the password to the wallet which is associated with that that address.

These coins contain codes that represent 'suspended' transactions. When the coin is broken the suspended transaction can be directed to a wallet on the blockchain.

Optional [Intro to cryptocurrencies](#) by your co tutor Matthew Slater until 7 mins



Economics of Bitcoin & its clones



Vinay Gupta says Bitcoin has governance problem <https://www.youtube.com/watch?v=FHFSvttMg6E> (3min)

Vinay Gupta on what Bitcoin could become <https://www.youtube.com/watch?v=Cy8I-DeEnsg> (3 mins)

Think..

What future applications might a blockchain have and how might that affect money, business and society?



Non-Bitcoin blockchain currencies



Crypto Regulation

- Recall the social and cultural importance of accounting technologies
- Regulation lags behind technology – what if some technologies undermine power to regulate?
- Regulation can be useful or not, depending on the interests represented in its negotiation – more stakeholders needed?
- A challenge for incumbents and innovators alike



Given the problems with the current monetary system, would you argue for some freedom from regulation for cryptocurrency innovators, or do you think the risks are even greater?



'Backed' by nature?



Think back to Aristotle's inferred ideal properties of money. How good would electricity be? What would be secondary consequences of, say, your country announcing that electricity was legal tender, both nationally and internationally?



Designing Currencies for Life

*“In this course we have sought to demonstrate that money issuance is not neutral. **Money is a social design that then designs the social.** Therefore if we work in currency innovation we need to think about what kinds of behaviours we want to support and then design mechanisms for that into the currency system.”*

*“In a digitally enabled world, if all the collaborative economy systems interface with each other, then a **high score in a reputation currency might be as good for accessing value as having a positive balance of a more traditional currency that represents a claim on future value.**”*



Currencies in Context

- For establishing or upgrading a community currency initiative, we recommend looking at the book “People Money” and the free tools available from www.communityforge.net
- To continue studies on crypto currencies, consider Coin Academy. www.coinacademy.co
- To continue your studies on other complementary currencies and the potential for new currencies in collaborative platforms, consider the IFLAS course in “Certificate of Achievement in Sustainable Exchange” www.ho.io/iflas and join the online research network on complementary currencies at <http://community-currency.info>
- If you are interested in monetary reform, join the Positive Money campaign, which is based in the UK, or one of its affiliates worldwide: www.positivemoney.org



Conclusion



Final Assignment

- Consider carefully the content of the first four lessons of this course. Identify an issue that you feel is important in relation to money and society but that has been overlooked or insufficiently analysed so far in these four lessons. Write a short paper presenting a convincing argument describing your chosen issue, explaining why it is important and discussing how it relates to key ideas introduced in the four lessons. You should cite relevant sources to support your argument. The main body of your paper should be no more than 800 words; give your paper a short, clear title and add your name.
- Consult the grading grid in the next slide to see how your assignment will be assessed by your peers on this course. (The list of references at the end of your paper is not included in the 800 word limit and you should include the details specified in section D of the grid).



Grading Grid

Assessment criteria and weighting	70% and above (Distinction)	60% - 69% (Merit)	50% - 59% (Pass)	40% - 49% (Not yet a Pass)	0% - 39% (Not yet near a Pass)
(1) Appropriateness of contribution to the question of money and society and not covered well in the first 4 lessons (50%)	Excellent contribution to the topic of the MOOC that is significant to theory and also has practical implications.	Good contribution to the topic of the MOOC that is significant to theory and also has practical implications.	Partial contribution to the topic of the MOOC that is significant to either theory or has practical implications.	Unclear contribution to the topic of the MOOC but with some significance to either theory or to practical implications.	Irrelevant contribution to the topic of the MOOC, with no clear significance.
(2) Logic, structure and evidence for the argument made (20%)	Very good logic, structure, and evidence.	Clear logic, structure, and evidence.	Some logic, structure, and evidence.	Unclear or missing logic, structure, or evidence.	Lacking logic, structure, and evidence.
(3) Critical analysis of insights from the four lessons in relation to the chosen issue (20%)	Including excellent critical synthesis of insights from the 4 lessons, relating these to the chosen issue indicating strong personal analysis and evaluation	Including critical engagement with key insights from the 4 lessons, relating these to the chosen issue to show some personal analysis and evaluation	Including relating some of the insights from the 4 lessons in some way to the chosen issue and demonstrating understanding of key ideas	May partly engage with insights from the 4 lessons but does not relate them to the chosen issue	No engagement with insights from the 4 lessons
(4) Clarity of language, formatting and referencing (10%)	Excellent Plain English prose, standard formatting and referencing including all of: Name, Year, Title, secondary title, publisher, city of publication, page number, weblink	Clear Plain English prose, clear and consistent formatting and referencing including most of: Name, Year, Title, secondary title, publisher, city of publication, page number, weblink	Mostly sufficient Plain English prose, clear formatting and referencing including some of: Name, Year, Title, secondary title, publisher, city of publication, page number, weblink	Unclear, pretentious or excessively dense English prose, unclear formatting or referencing.	Hard to follow English prose, confusing formatting and referencing.



Peer Assessments

After submitting your assignment in the forum, chose one other submitted assignment that has not yet been graded and attempt to grade it fairly based on the grid. Complete the feedback table below and post it on the forum. In the sections for written comments describe in a concise sentence the strengths of the paper you have graded and use two or three more concise sentences to explain how you feel the author could improve specific aspects of their paper to reach a higher standard.

Assessment criteria	Marks available	Marks awarded
1 Appropriateness of contribution to the question of money and society and not covered well in the first 4 lessons	50	
2 Logic, structure and evidence for the argument made	20	
3 Critical analysis of insights from the four lessons in relation to the chosen issue	20	
4 Clarity of language, formatting and referencing	10	
TOTAL	100	
Written comments – strengths of the paper:		
Written comments – how to improve the paper:		



Further reading

Money and Life <https://www.youtube.com/watch?v=YL4cPujObDA>

The Money Fix <https://www.youtube.com/watch?v=TwmM5Nb6hiE>

Peter Joseph creator of 'Zeitgeist'

<https://www.youtube.com/watch?v=MBRXuKVEBaY>

People Money (required reading for the sustainable exchange module)

Wizards of Money Podcast 6 – Democratizing the money system.

<http://www.robinupton.com/people/WizardsOfMoney/>

Put in slide on regulation ... <http://www.coindesk.com/future-commodity-bitcoin-regulation-cftc>

<http://community-currency.info>

Hearn, Mike, Turing Festival 2013: *Future of Money (and everything else)*

<https://www.youtube.com/watch?v=Pu4PAMFPo5Y#t=255>

World Islamic Mint Study Centre http://www.islamic-finance.com/study_reading.htm

