

Creating Democratic Money Systems with Local Currencies



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This presentation:
tiny.cc/moneydemocracy

Why a local currency?

- Encourages “buy local”
- Increases the local money supply
- Community resilience against economic downturns
- **Local democratic control over your economy**
- This includes the ability to



What's the matter with money?



What's the matter with money?

- In our current money system, **most money is created by banks**
- Banks create money by lending





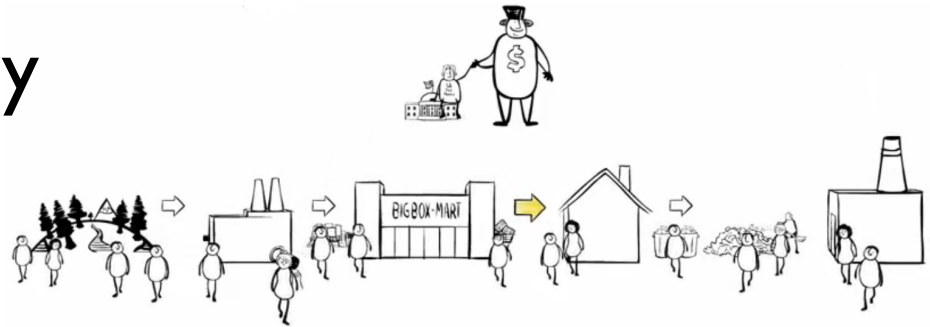
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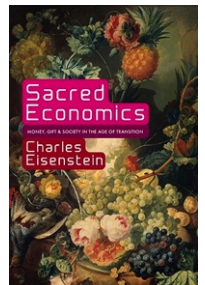
So what?

What's the matter with money?

- Our debts can never be paid off
- Inequality and screwed up priorities
- We are constantly forced to keep producing more



Recommended reading:
Sacred Economics
by Charles Eisenstein



Ithaca HOURS

- Oldest still operating local currency in the US, started in 1991
- 1 HOUR = US\$10
- No guarantee of convertibility
- Democratically controlled via an elected Board of Directors
- Some issued as interest-free loans and grants to local businesses and nonprofits
- Less used in recent years



BerkShares



- Berkshire County, Massachusetts
- Convertible at several local banks
- 1 BerkShare = 95 cents USD



Timebanks

- Hours of labor are the units of exchange
- Everyone's time is valued equally
- Hours are spontaneously generated upon exchange—all balances add up to zero
- Mostly suited for person-to-person exchanges
- Some timebanks issue hours to support social justice causes (e.g. Dane County, WI)
- Software you can download and set up

WIR Bank

- Switzerland
- Started in 1934
- Business-to-business
- Interest-free mutual credit exchanges—money is created spontaneously
- 25% of businesses in Switzerland are members
- “a spontaneous counter-cyclical shock-absorber for the Swiss economy...the



Bitcoin



- Doesn't require a trusted authority
- Not at all democratic
- Uncontrollable
- Replaces one power structure with another, highly overlapping one
- Power goes to those with the resources and inclination to put expensive computers to work mining Bitcoin



rCredits

- Mutual credit system and community payment system
- Launched in 2013 in Greenfield, MA by Common Good Finance
- Designed to be replicated to other communities
- Locally democratically controlled by each community

rCredits

- All digital
 - rCard
 - Smartphone app
 - Text messaging
 - Possible to participate without a smartphone
- Exchangeable one-for-one with US dollars
 - Can connect a bank account



rCredits

- \$20 credit when you join
- 10% bonus on every transaction for both parties during startup phase
 - Temporary incentive while the rCredits economy is growing—probably a couple years
- Interest on your balance equal to USD inflation rate (currently set at 5%)



rCredits



- Democracy is really at the heart
 - There is an innovative democratic process combining the best aspects of direct and representative democracy
- In the long run (6 months or more down the line), we will be able to issue rCredits democratically for community projects
 - Together we can decide what is best for our community—and fund it!
 - More funding for sustainability, culture, and



Where do rCredits “come from”?

- Money is an agreement
- Community-created credit
- Like coupons or gift certificates, but they circulate
- Another way to look at it: A robust accounting system keeping track of the money that circulates in the local economy
 - This frees up that money to be spent on something else



You can start an rCredits community!

First steps (not necessarily in order):

1. Form an organizing group
2. Seriously study rCredits.org
3. Let us know you're interested
4. Ask us your hardest questions
5. Talk to people and businesses and get them on board



You can start an rCredits community!

- rCredits has been running in Greenfield since 2013, Ann Arbor since April
 - Currently about 350 members and 35 companies total
- It's going very well, but we are still working on the user experience
- CGF provides the server, software, rCards, and some support until a community is ready to become autonomous

Launched in Ann Arbor April

1st!

Cafe
VERDE
SPATIAL TREATS • CRAFTED BREAD



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FOOD

Silvio's
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sassafras
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Bates Electric

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Hilary Nichols Photography

Shiatsu Milagrosa

Chrysalis Transitions

The Hive Co-op

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What's your vision?



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